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# ***Daily Report***

## **China**

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# Daily Report China

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16 April 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Briefing

#### Spokesman Views UN Libyan Sanctions

OW1604111492 Beijing XINHUA Domestic Service  
in Chinese 1010 GMT 16 Apr 92

[Text] Beijing, 16 Apr (XINHUA)—Foreign Ministry spokesman Wu Jianmin said here today that China will implement the relevant provisions of UN Security Council Resolution 748.

At a press conference this afternoon, reporters asked about China's attitude toward the resolution which has come into effect, and about how China will implement it.

Wu Jianmin said that he had already explained the attitude towards Resolution 748 and that China will implement the relevant provisions of the resolution.

He said: "We hoped that the parties concerned would make concerted efforts to bring about a fair and reasonable settlement of this dispute so that sanctions will not be imposed against Libya. It is regrettable that the parties concerned haven't settled this dispute through consultations. We still sincerely hope that the international community and the parties concerned will continue to make efforts to settle the issue properly and as soon as possible."

#### Military 'Observers' Going To Cambodia

OW1604090892 Beijing XINHUA in English  
0900 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—At the request of the secretary-general of the United Nations, the Chinese Government will send to Cambodia soon 47 military observers and a military engineering contingent of 400 people, who will join in the work of the UN transitional authorities in Cambodia.

A Chinese Foreign Ministry spokesman made the announcement at weekly press conference here today.

#### Views Weapons Left by Japan After War

OW1604091392 Beijing XINHUA in English  
0902 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—China hopes that a satisfactory solution will be found to the problem of the chemical weapons left over by Japan in its war of aggression against China, a Chinese Foreign Ministry spokesman said here today.

In response to a question at today's press conference, the spokesman said that China was the victim of that war, and it is only natural that the Japanese side should shoulder the responsibility to destroy those weapons.

### Announces Gulf Official's Visit

OW1604083892 Beijing XINHUA in English  
0830 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—Secretary-General of the Cooperation Council for the Arab States of the Gulf 'Abdallah Ya'qub Bisharah will visit China from April 24 to 29, at the invitation of the Chinese Ministry of Foreign Affairs, a Chinese Foreign Ministry spokesman announced at a weekly press conference here today.

### Says New Zealand Official To Visit

OW1604081692 Beijing XINHUA in English  
0804 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—Deputy Prime Minister and Minister of External Relations and Trade of New Zealand Don McKinnon will visit China from April 24 to 29, at the invitation of Chinese State Councillor and Foreign Minister Qian Qichen.

A Chinese Foreign Ministry spokesman made the announcement at a weekly press conference here today.

### Qian Qichen To Meet Yemen Envoy

OW1604083392 Beijing XINHUA in English  
0825 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—'Abd-al-karim al-Iryani, minister of foreign affairs of the Republic of Yemen, will visit China from April 20 to 22 at the invitation of Chinese State Councillor and Foreign Minister Qian Qichen, announced a Chinese Foreign Ministry spokesman at a weekly press conference here today.

### Hungarian Foreign Minister To Arrive

OW1604085792 Beijing XINHUA in English  
0849 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—Minister of Foreign Affairs of the Republic of Hungary Geza Jeszenszky will visit China in late April, at the invitation of Chinese State Councillor and Foreign Minister Qian Qichen, a Chinese Foreign Ministry spokesman announced at a weekly press conference here today.

### Reportage Views UN Sanctions Against Libya

#### U.S. Expresses 'Delight' at Decision

OW1404224092 Beijing XINHUA in English  
2051 GMT 14 Apr 92

[Text] Washington, April 14 (XINHUA)—The U.S. Administration expressed delight today at the World Court decision rejecting Libya's bid to block U.N. sanctions against it for failing to surrender two suspects in the downing of Pan Am Flight 103.

The administration also rejected Libya's proposal to hand the two suspects to Malta, and said it was ready to

take U.N. sanctions against Libya into effect at midnight Wednesday if Libya still refuses to hand over the suspects.

The International Court of Justice, in The Hague, Netherlands, today refused Libya's appeal to ban U.S. and British military or economic action to force it to surrender the two suspects.

"That's a very favorable decision," said U.S. Secretary of State James Baker. "And we are delighted to see that the World Court is not going to attempt to interfere with the decisions of the United Nations Security Council taken after solemn deliberations of the council," Baker said.

At United Nations headquarters in New York, meanwhile, members of the Security Council scheduled a meeting today to discuss Libya's latest proposal to hand over the two suspects to Malta and review the whole situation before the air and weapons sanctions take effect at midnight Wednesday.

But the U.S. State Department rejected the idea. "It falls short," said Margaret Tutwiler, spokeswoman of the State Department. "It does not meet the requirements of compliance, and Libya knows very well what it has to do in order to be in compliance."

And at the White House, Spokesman Marlin Fitzwater said "we believe Libya must comply with our request for the Pan Am 103 perpetrators."

On March 31, the U.N. Security Council voted to impose strict sanctions on Libya, including a halt to all air traffic to or from the nation and an arms embargo because its government had failed to comply with the January resolution.

#### Arab Countries React 'With Regret'

OW1504144092 Beijing XINHUA in English  
1247 GMT 15 Apr 92

[Text] Cairo, April 15 (XINHUA)—Arab countries reacted with regret, uneasiness and anger to air, arms and diplomatic sanctions imposed by the UN Security Council against Libya, which went into effect today, according to reports reaching here.

In Amman, King Hussein's Information Minister, Mahmud al-Sharif described the sanctions as a "regrettable action."

"We hope, even after the sanctions went into effect, that some solution would be reached," he said.

Sharif declined to comment on Jordan's compliance until the government met and discussed the issue.

ASH-SHAAB, a pro-government daily, predicted that U.S. intention will not stop at the imposing sanctions and isolating Libya internationally, but exceed that limit to an American military assault against Tripoli.

In Tehran the outgoing Majlis speaker Hojjat ol-islam Mehdi Karrubi told a visiting Arab Inter-Parliamentary Union delegation that Tehran supports Tripoli in confronting the U.S. threat against Libya.

The speaker was quoted by local daily SALAM as saying that the U.S. threat was aimed at Libya today, but it will also be directed at "any country which wants to keep its independence."

The Cairo-based daily AL AKHBARAL sounded a milder tone today by calling for "self-restraint" in dealing with the situation.

"We do not thus believe that threats and emotional reactions in this situation will have any tangible benefit to the Libyan interests.

"Contrarily, they may further the complication of matters, where harm will be greater than benefit," the paper said.

Another daily AL-GOMHURIA said editorially today that "dialogue rather than hot confrontation should be adopted in all crises."

An editorial in Beirut's newspaper AL-SHARQ today denounced the sanctions against Libya as "a new crusade against the Arabs."

"The Western blockade of Libya is aimed against the whole Arab world ... but this time the Arab fortresses will prove impenetrable," the paper asserted.

This view was echoed by the Iraqi paper AL-THAWRA. "The crisis fomented by Washington was aimed at humiliating Libya and all the Arabs to subject the region to a permanent state of submission to the American administration," the paper charged.

Despite widespread bitterness, however, some Arab governments have expressed grudging compliance with the air, arms and diplomatic sanctions which went into effect today.

Morocco cancelled four flights by Royal Air Morocco to Tripoli today and Royal Jordanian Airlines also halted its biweekly flights to the Libyan capital. Tunis Air suspended all flights to Tripoli as well.

#### Sanctions Take Effect

OW1404232492 Beijing XINHUA in English  
2256 GMT 14 Apr 92

[Text] United Nations, April 14 (XINHUA)—The air, arms and diplomatic sanctions approved by the Security Council at the end of last month will take effect immediately after midnight today (New York time) if Libya refuses to surrender the two suspects in the bombing of Pan Am Flight 103 by that time.

Britain, France and the United States rejected a proposal by the Arab League that the sanctions be delayed to allow more time for a negotiated solution to the dispute.

"The council did not feel that conditions justify any delay," David Hannay, British ambassador to the United Nations, told reporters after Security Council consultations on the matter this afternoon.

The three countries also turned down the Libyan proposal that the two stand trial in Malta instead of Britain and the United States.

"The Libyan foreign minister posed conditions which are unacceptable to our governments, which is that the trial can only exclusively take place in Malta," Hannay added.

Both Britain and the United States demand that the two be handed over to stand trial in their countries for their responsibility in the bombing of the flight over Lockerbie, Scotland, in 1988, in which 270 people were killed.

Diplomatic sources said that at the consultations Morocco, China and some other countries were for a postponement of the sanctions to allow further negotiations on the matter.

Libya denies the charges of involvement in the bombing and has refused to turn the two suspects to the two countries although the Security Council adopted a resolution on January 21, asking Libya to respond to all requests of the two countries.

The Security Council plans to hold further consultations on the implementation of the sanctions tomorrow.

#### **U.S. Expels Libyans From UN Mission**

*OW1604034892 Beijing XINHUA in English  
0256 GMT 16 Apr 92*

[Text] Washington, April 15 (XINHUA)—The U.S. Administration began to impose U.N. sanctions against Libya today by expelling three Libyan diplomats from the U.N. mission.

U.S. President George Bush also issued an executive order late today to formally impose U.S. sanctions at midnight. But his action is largely symbolic, since the United States has no active relationship with Libya.

At a State Department background briefing, a senior official said, on condition of anonymity, that Libya's deputy ambassador, a first secretary and an attache from its U.N. mission in New York must leave the United States by April 25.

He said the action, reducing the size of Libya's mission to nine, was taken in accordance with U.N. Security Council Resolution 748.

The U.N. sanctions, approved on March 31, will come into effect at 23:59 New York time tonight, banning flights to and from Tripoli, prohibiting the sale of arms or spare parts to Libya, and requiring the recall of most diplomats from the North African nation.

The White House expressed optimism that the sanctions would prompt Tripoli to turn over two suspects charged with the 1988 bombing of Pan Am Flight 103 over Scotland.

"We hope that they are effective," White House spokesman Marlin Fitzwater said. "We want to do everything we can to make them that way."

But the senior State Department official said even if Libya surrendered the two suspects, the United States would maintain the sanctions until Libya was forced to "give up international terrorism."

He added, "These sanctions will remain in effect until we are satisfied because obviously the U.S., the U.K., and the French have a veto. Turning over the two suspects alone will not satisfy the demands of the resolution."

Asked what kind of penalty could be imposed on violators, the official said, "One option that exists if a government permits violations of the sanctions would be to implement sanctions against that government."

The official also indicated that not only would the sanctions be maintained, but also even more punitive measures would be considered, especially a ban on oil purchases.

On Tuesday, Secretary of State James Baker told reporters at the State Department that "some consideration" had been given to imposing a worldwide ban on purchases of oil from Libya.

He added, "Whether or not the international community would have to look at the possibility of additional sanctions, I can't prejudge today."

Earlier today, the State Department urged the estimated 500 to 1,000 Americans in Libya, most of them involved in the oil industry, to get out of the country by land as air travel was being halted under the international sanctions.

Margaret Tutwiler, spokeswoman for the State Department, said 131 Americans had contacted the Belgian Embassy in Libya, which looks after U.S. interests there, since there are no diplomatic ties between Washington and Tripoli.

#### **UK Adamant on Lockerbie Suspects**

*OW1504084592 Beijing XINHUA in English  
0820 GMT 15 Apr 92*

[Text] London, April 14 (XINHUA)—Britain today insisted on the hand-over by Libya of two suspects in the Lockerbie bombing for trial in Scotland or the United States as the United Nations deadline expires tomorrow.

"Libya must comply fully with (UN Resolutions) 731 and 748 and the two suspects must be surrendered for trial in the U.S. or Scotland," a British official said.

The UN Security Council would authorize sanctions against Libya unless it hands over two libyan citizens accused of bombing a U.S. airliner which killed 270 people. The UN sanctions include a ban on air links and arms deals with Libya.

The British official said Britain's position "remains unchanged."

While denying its involvement in the bombing, Libya suggested that the trial could take place in Malta. The Libyan proposal was rejected by the United States and Britain.

Libya went to the International Court of Justice in The Hague last month to prevent the U.S. and Britain from using threats or force to make it hand over the two suspects.

The World Court on Tuesday rejected Libya's request that the West be restrained in its attempts to extradite the two Libyans for trial.

#### UK Will 'Not Soften' Stance

OW1504142692 Beijing XINHUA in English  
1330 GMT 15 Apr 92

[Text] London, April 15 (XINHUA)—British Foreign Secretary Douglas Hurd said today London would not soften its position on the hand-over of two Libyan suspects linked with the 1988 Lockerbie bombing over Scotland.

Hurd told BBC radio that compromise proposals put forward by the Libyans showed they had been put under pressure by United Nations sanctions which came into force Wednesday.

The U.N. move includes a ban on air links and arms deals with Libya.

Hurd expressed hope the sanctions would persuade Tripoli to surrender two Libyan suspects for trial in Scotland or the United States.

"We hope the existing measures will be persuasive, not punitive," he said.

Continuing to deny its involvement in the bombing, Libya has suggested the trial could take place in a neutral country.

But Hurd said Britain would not accept the men being handed to a neutral country.

Oil sanctions could be next, he said.

On Tuesday, the International Court of Justice in The Hague rejected a Libyan appeal accusing the U.S. and Britain of using threats or force to make it hand over its two citizens.

Hurd said he hoped different compromise proposals coming out of Tripoli would eventually lead to the extradition of the two.

#### Libyan Climate Viewed

OW1504130492 Beijing XINHUA in English  
1230 GMT 15 Apr 92

[By Gong Zhenxi: "Communications Return To Normal in Tripoli"]

[Text] Tripoli, April 15 (XINHUA)—Communications have returned to normal in Tripoli after Libya ended a day-long shutoff from the outside world early today. Life is calm in the Libyan capital on the whole and taxis ran as usual despite a 24-hour ban on fuel sales. Libya cut off all communications with the outside world including telex Tuesday to mourn for the 41 citizens killed during U.S. air raids on Tripoli and Benghazi six years ago. The U.S. air strike was made in retaliation for alleged Libya's involvement in bombing a Berlin night club frequented by U.S. servicemen that claimed two lives. Traffic at all Libyan airports and harbors has also restored. On Tuesday, the passenger halls at Tripoli international airport were empty and black flags were seen here and there at the airport. Thousands of people gathered at a stadium here to mark the sixth anniversary of the air raids and groups of workers were seen marching into the stadium carrying banners backing their leader Mu'amar al-Qadhafi. One banner said, "the sons of the martyrs will carry on the Jihad" or holy war. "We will defend you, Qadhafi, with our blood and soul," the crowd chanted. The state of mourning over 24 hours marked the enforcement of UN Security Council Resolution 748. Air, arms and diplomatic sanctions went into effect today to punish Libya for its refusal to hand over two suspects wanted by Washington and London for blowing up an American airliner over Scotland in 1988 and killing 270 people. Libya denied any involvement and appealed to the World Court, a legal arm of the UN for arbitration. But the court Tuesday rejected Libya's appeal, saying that the matter had properly been put before the Security Council. Malta Tuesday agreed to accept the two men for trial in the country. Morocco, on behalf of the 21-member Arab League, appealed for a delay in imposing the sanctions during Security Council debate Tuesday. The United States and Britain rejected the idea, insisting that the two Libyans be tried in the two countries. The Arab Labor Conference meeting here reacted strongly at the UN action. In a resolution adopted at its 19th session here Tuesday, the participants rejected the UN resolutions imposing sanctions on Libya and urged Arab states not to abide by them.

#### Tripoli Said 'Quiet'

OW1504235292 Beijing XINHUA in English  
2223 GMT 15 Apr 92

[By Li Zhurun]

[Text] Tripoli, April 15 (XINHUA)—The Libyan capital was quiet on the first day of the U.N. sanctions that include arms embargo, suspension of air links and reduction of diplomatic representation in U.N. member states.

The seaside Green Square, the center of previous mass protests against last month's adoption of U.N. Security Council resolution 748, was parked with thousands of cars. Nearby was the city's largest taxi station bustling with activities, with drivers scrambling for customers. "Business is as usual," said driver Mahmud Adin.

Shops in Tripoli were well stocked with goods brought in by land and sea routes. At the city's gold bazaar, shopkeepers said that their business was booming as the season of weddings in summer is drawing near. "Sanctions or no sanctions, our young people will marry and produce babies," said shop keeper Muhammad, his face beaming with a broad grin.

There were no mass protests or demonstrations. Throughout the city, there was no apparent presence of security forces. "Our people are responding to the government's call for restraint," said a government official who identified himself only as 'Ali. "Our people know the best way of dealing with the crisis."

But Libya's anger could still be felt. In its mid-day broadcast, Radio Tripoli called U.N. sanctions Resolution 748 a "U.S.-NATO conspiracy against Libya" and, therefore, "illegal."

The resolution was adopted on March 31, after Libya refused to extradite two Libyan nationals accused by the West of blasting Pan Am Flight 103 over Lockerbie, Scotland in 1988. "See that resolution? It hurts the Libyan people and our national pride," said a former Libyan airlines pilot, who preferred anonymity.

The man had a black ribbon on his chest, the symbol of mourning to commemorate those killed in the 1986 American air raid on Tripoli and Benghazi, which killed more than 40 people. "Why there has never been a resolution condemning the Americans for killing our people?" he said.

Many people still were wearing black ribbons on their chests or attached them to car radio antennas, one day after the government ordered the national mourning. On Tuesday, the day of national mourning, the Libyan flag flew half-mast at all government buildings and, according to a government order, all international communications were suspended.

This correspondent spent the whole day on a bus from Cairo of Egypt to Tripoli. The bus, though belonging to an Egyptian tourist company, entered Libyan territory without obstacle.

"I don't think Egypt and other Arab countries will close their borders even if the Security Council orders suspension of land traffic," said a Libyan passenger who introduced himself as a "veteran diplomat." "After all, the Arabs are brothers."

"Moreover," he said, "I don't expect Western business people to leave Libya in large numbers, at least in the near future. They have their own interests here."

As if to prove the truth of these remarks, a French engineer, Maurice Duron, said that he would not leave Libya. "My company is drilling oil in the sea off Benghazi and, unless an oil embargo is imposed on Libya, I will not consider leaving this country."

Libya supplies oil mainly to Europe. "I will feel sad if the current situation develops," said Duron. "An oil embargo would mean adverse effects on European economy and that tens of thousands of people like me will lose their jobs."

Neither do the tens of thousands of laborers from Arab countries—Egypt, Tunisia, Algeria, etc—want to leave. "There are as many Europeans as ever in Tripoli, and so long as they are here, I will stay," said Algerian waiter Ahmad Harawat.

### Further Reportage on ESCAP Meeting in Beijing

#### Li Peng Meets Delegations

OW1504140092 Beijing XINHUA in English  
1338 GMT 15 Apr 92

[Text] Beijing, April 15 (XINHUA)—Chinese Premier Li Peng met and hosted a banquet here this evening to entertain heads of delegations to the on-going session of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) and leading ESCAP officials.

Proposing a toast at the banquet, Li said that while there are developed as well as developing nations in the Asia-Pacific region, developing countries constitute the majority. Peace and development represent a common aspiration of those nations, who strive to develop the economy and raise the living standard of the people.

He expressed the hope that the current ESCAP session will serve to enhance the unity and friendship of the people in Asia and the Pacific and promote the economic development and cooperation of the various countries and regions.

Speaking on behalf of all the heads of the delegations to the session, Indonesian Foreign Minister Ali Alatas said it is very proper for the session, with "regional economic cooperation" as its theme, to be held in Beijing.

Alatas said this is because China's reform and modernization drive, and policies of cooperating with the outside world will exert far-reaching influence on the economic development and the prospects of common prosperity in the Asia-Pacific region.

From the ESCAP's founding in Shanghai in 1947 to the Beijing meeting this year, he said, the economy of the countries and regions in Asia and the Pacific has made great progress.

Alatas expressed his belief that Asia and the Pacific with its power and potential will play an even more outstanding role in world affairs.

Refceuddin Ahmed, executive secretary of the ESCAP, said that China has always supported the work of the ESCAP.

He said the proposals China is going to put forward at the current session, including the "Beijing Declaration" and the Asia Handicapped 10-year Program initiated by China, once again show that China is making efforts to promote the friendship, understanding and cooperation between peoples in this region.

He thanked the Chinese organizing committee for its outstanding preparation for the on-going session.

#### Jiang on 'New World Order'

OW1504134792 Beijing XINHUA in English  
1328 GMT 15 Apr 92

[Text] Beijing, April 15 (XINHUA)—The Asia-Pacific region should make its own contributions to the establishment of a new world order, General Secretary of Chinese Communist Party Jiang Zemin said here today.

The international community needs badly a new political and economic order which is fair, reasonable, equal and mutually beneficial, he noted.

Jiang made these comments while meeting with the executive secretary and other officials of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and heads of the delegations to the ongoing 48th Session of ESCAP.

The ESCAP session today began general debate, at which about 20 heads of delegations made statements.

"The Bandung Conference is an initial step made by the developing countries in their efforts to set up a fair world order, and the glorious tradition witnessed by the conference should be further carried out," he said.

Extending a warm welcome to the delegates to the current ESCAP session which opened here yesterday, Jiang said: "You are meeting in Beijing at a time when the world is undergoing profound changes politically and economically."

He noted that nations in the Asia-Pacific region have been dynamic in their developments and their economic cooperations have been further expanded.

"The practices in the region indicate that there is no fixed model in our world for development, only by choosing the pattern conforming with one's own conditions can a country achieve economic progress, and the practices also testify to the necessity of the nations to strengthen cooperations among themselves on the basis of equality and mutual benefit in their joint efforts for development," Jiang said.

As an ESCAP member, Jiang pointed out, China will do its part for the common prosperity of all the countries in Asia and the Pacific.

During the meeting, Taomati T. Iuta, vice-president and minister of finance and economic planning of Kiribati, Zahiruddin Khan, Bangladesh minister for planning and Rafeuddin Ahmed, executive secretary of ESCAP, also made speeches.

By hosting ESCAP's 48th session, Taomati said, China shows once again its willingness to strengthen the unity and cooperation with countries in the Asia-Pacific region.

The current session, he noted, will further consolidate the basis for cooperation and exchange in the region.

Zahiruddin, speaking highly of China's achievements in the past four decades, those in reform and opening to the outside world in particular, said: "We are all confident for the 21st century, a new period full of hope is waiting for us."

Rafeuddin Ahmed said that China's economy achieves remarkable progress due to the reform and opening to the outside world and China's experiences are of great importance for the development of many countries in the region.

#### Jiang Meets Butrus-Ghali

OW1504123292 Beijing XINHUA in English  
1223 GMT 15 Apr 92

[Text] Beijing, April 15 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin met with Butrus Butrus Ghali, secretary-general of the United Nations, here this afternoon.

According to a Chinese Foreign Ministry official present at the meeting, Jiang said: "We are pleased to see that the United Nations has played a positive role for the recent years in the aspects of relaxing the tense world situation, settling regional conflicts and promoting international economic co-operation."

Jiang noted that the changes of the world structure make all countries lay more hope on the United Nations, adding that the joint effort of all UN members are necessary for doing well the business of the United Nations.

As one of the permanent members of the UN Security Council and one of the big developing countries, Jiang said, China will continue to support the United Nations to play a bigger role in safeguarding world peace and promoting economic development.

Speaking of his recent visit to Japan, Jiang said that the strengthening of economic and trade ties between China and Japan is conducive to the two peoples, and moreover, it will promote stability and development in the Asian-Pacific region.

Butrus-Ghali said that the primary purpose of his visit is to extend his gratitude to China for its contributions to the United Nations.

He mentioned Chinese Premier Li Peng's participation at the summit meeting of the UN Security Council on January 31, saying that this is a valuable support for the work of the UN and the secretary-general.

The meeting proceeded in a cordial and friendly atmosphere.

Present at the meeting were under UN Secretary-General Ji Chaozhu, Chinese Vice-Foreign Minister Liu Huaqiu and Chinese Permanent Representative in the United Nations Li Daoyu.

### **Butrus-Ghali Views Talks With Leaders**

*HK1504130592 Hong Kong AFP in English  
1250 GMT 15 Apr 92*

[Text] Beijing, April 15 (AFP)—China has an important role to play in the new world order and supports an enhanced United Nations role, U.N. Secretary General Butrus Butrus-Ghali said here Wednesday.

During talks with Chinese leaders, Butrus-Ghali outlined a greater U.N. role in peace-keeping and peace-building, including involvement in internal conflicts if all parties concerned agree.

"We have discussed this and I have seen no apprehension from the Chinese government on this subject," the secretary general told reporters.

Butrus-Ghali, who arrived here Tuesday for a four-day visit, his first since becoming U.N. chief, said Beijing had a "very special role to play within the United Nations system and at large."

China, the only developing country to be a permanent member of the U.N. Security Council, would be crucial in maintaining an "equilibrium in the relationship between East and West and North and South, not only on economic grounds, but on political grounds too," he said.

Butrus-Ghali said he had not discussed human rights during his talks, suggesting that China's leaders had tried to avoid the issue.

"It takes two to tango," he said. "It means you need that two parties are interested to discuss this problem."

Butrus-Ghali met separately with Premier Li Peng, Foreign Minister Qian Qichen and Communist Party leader Jiang Zemin.

### **Terms Meetings as 'Positive'**

*OW1504122692 Beijing XINHUA in English  
1214 GMT 15 Apr 92*

[Text] Beijing, April 15 (XINHUA)—Visiting United Nations Secretary General Butrus Butrus-Ghali said here today that his discussions with senior Chinese leaders in the past two days were "positive and constructive."

Speaking at a press conference, Butrus-Ghali said that since he assumed his post as UN secretary general, he has intended to visit China to exchange views with Chinese leaders on the current international situation and on the efforts of the UN to promote peace, cooperation, friendship and continued dialogue of the region and of the world at large.

In the past two days during his current visit to China, he said, he had met senior Chinese leaders including Premier Li Peng, Foreign Minister Qian Qichen and General Secretary of the Chinese Communist Party Jiang Zemin. "We have had positive and constructive discussions, in particular we discussed the new role of the United Nations in the field of peace-keeping and also in the fields of peace-making and preventive diplomacy," he added.

He said he believed the current 48th Session of the UN Economic and Social Commission for Asia and the Pacific in Beijing is an expression of the role of China and the role of the region as a whole to spread economic development and give new momentum to economic cooperation.

He also said that China, as a permanent member of the Security Council and a great nation, has a very special role to play within the UN system and at large. It certainly can play a very important role in maintaining a kind of equilibrium between East and West and between South and North, not only on the economic ground, but on the political ground too.

### **Discusses Sanctions**

*OW1504122092 Beijing XINHUA in English  
1211 GMT 15 Apr 92*

[Text] Beijing, April 15 (XINHUA)—United Nations Secretary General Butrus Butrus Ghali announced here late this afternoon that the UN Security Council had begun to apply its sanctions against Libya one hour previously.

Mr. Butrus-Ghali, who is making an official visit to China, told a press conference which was held at 5:30 pm Beijing time (0930 GMT) that according to UN Resolution 371, he has in the last few days contacted Libyan foreign minister and the secretary general of the Arab League, trying to seek a solution to the Libyan problem and he will continue to do so despite the application.

A reporter asked whether Butrus-Ghali will try new channels to get Libya to comply with the UN resolution on two Libyans charged with the bombing of a civilian aircraft four years ago.

He said that he had discussed with Chinese leaders on Resolution 371 and his "role of catalyst" in trying to find a solution to the problem, in other words, to obtain the application of that resolution peacefully.

"I hope that in the next few days I will maintain the contact with the parties concerned," Ghali said.

### U.S. Envoy Speaks

OW1504181392 Beijing XINHUA in English  
1556 GMT 15 Apr 92

[Text] Beijing, April 15 (XINHUA)—J. Stapleton Roy, U.S. representative to the on-going session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and ambassador to China, said here today that the United States intends to continue to promote its cooperative economic relationships with other countries of the Asia-Pacific region.

In a statement at the session's general debate, Ambassador Roy commented that economic growth and cooperation continued throughout the region during the past year, with countries looking at various ways to liberalize their markets, seeking new trading partners, diversifying products, and becoming more competitive in world markets. "We encourage the breaking down of trade barriers and the opening of markets to develop broader trading patterns," he said.

He urged all nations "to continue the close cooperation necessary to bring the Uruguay Round to a successful conclusion."

Roy said that the Uruguay Round of the GATT (General Agreement on Tariffs and Trade) negotiations is in a critical phase. "We have all had to compromise, to give up cherished, long-held position, to adjust to changing world economic realities," he said, adding that a successful round would stimulate world economic growth.

In an effort to dispel worries about the proposed North American Free Trade Agreement, Roy stated this is not a "trading bloc", and members of the agreement "have no intention of acting as a bloc."

Turning to social development in the Asia-Pacific region, he noted that while substantial progress has been made in some areas, social development has not kept pace with economic development. He listed, among other things, indignity of poverty, of the yoke of illiteracy, and growing population.

He held that one excellent channel for closer consultation between members of the ESCAP and the secretariat is the advisory commission of permanent representatives, a body which, he said, should play a more prominent role in setting priorities and establishing the organization's work plan.

### Japan, ROK Support Cooperation

OW1504082892 Beijing XINHUA in English  
0751 GMT 15 Apr 92

[Text] Beijing, April 15 (XINHUA)—Promotion of Asia-Pacific regional economic cooperation in such areas as trade and investment will contribute to the development not only of this region's economy but of the world's economy, according to Koji Kakizawa, head of the Japanese delegation to the ESCAP 48th session.

Addressing a plenary meeting of the session here today, Kakizawa, also parliamentary vice-minister for foreign affairs, said that as an Asia-Pacific nation, Japan attaches particular importance to intra-regional cooperation.

He said that the Singapore declaration adopted last January by the ASEAN ministerial level conference "is a source of hope for regional cooperation and is highly regarded by the government of Japan".

Each nation must make diverse and constant effort, in accordance with its degree of development, to maintain and enhance the open system of free trade, as it cultivates its human resources, implements anti-inflationary measures, and takes steps to improve its investment environment, the Japanese delegation head said.

To realize sustainable economic development in the Asia-Pacific region in the years to come, he said, it is important that the member states of the ESCAP, related international agencies, non-governmental organizations and the private sector come together as one and cooperate to resolve the many social problems they face, including challenges in education, health, employment, residential infrastructure, crime prevention and other social welfare services.

Speaking at the same meeting, Yi Sang-ok, foreign minister of the Republic of Korea, urged the ESCAP to encourage and support economic cooperation at a sub-regional level.

In view of the geographical vastness and economic diversity of the Asia-Pacific region, sub-regional groups are necessary for increasing economic efficiency, said Yi, chairman of the last ESCAP session.

He said that North-East Asia has greater potential for economic cooperation than any other sub-region in Asia and the Pacific.

With the recent improvement of political relations, "we must search for a new model for economic cooperation in North-East Asia," he said.

"It is encouraging to note that North-East Asian countries are now heading in this direction through on-going consultations about the Tumen river area development program," he said.

The program, initiated and sponsored by the United Nations Development Program, is designed to develop a vast area of the Tumen River, bordering China, the Democratic People's Republic of Korea and the Russian Federation.

Citing priorities of regional economic cooperation, Yi said emphasis should be placed on developing physical infrastructure in addition to promoting trade and investment. In this regard, he reaffirmed South Korea's interest in both the Trans-Asian railway project and the

Asian highway project, and requested the ESCAP Secretariat to conduct an extensive study on the possibility of connecting the Korean peninsula with the Asian continent by land transport.

### Members Discusses "Sub-regions"

SK1604032192 Seoul YONHAP in English  
0217 GMT 16 Apr 92

[News analysis by Yi Tong-min: "ESCAP Members Envision Differing Regional Cooperation"]

[Text] Beijing, April 16 (OANA-YONHAP)—Members of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP), meeting in Beijing this week, exhibit quite different approaches to the theme of the conference, "Regional Economic Cooperation: Prospects, Priorities and Policy Options."

"Sub-regional" is emerging as the buzzword of the meeting, where 56 full and associate members representing 60 percent of the world's population are gathered to achieve balanced economic and social development.

Historical and cultural diversity, and the vast differences in economic status, have been major challenges in creating a unified ESCAP development plan, sources say, and the Commission may well be heading in a new direction based on "sub-regions" rather than simply "the region."

"The sub-regional approach was mentioned before, but the previous commission leadership, Under Executive Secretary H.E. Kibria, was set against it," an ESCAP official said.

"Kibria was against it because he believed such an approach would benefit only the more developed member countries and leave out the least developed part of the region such as the Pacific islanders," he said.

But ESCAP this year is under the leadership of a new executive secretary, Rafeeudin Ahmed, and its economic and political background has been transformed since a year ago.

The Soviet Union has broken up into independent states, the outcome of the Uruguay Round is uncertain, and economic blocs are spreading from the European Community to South and North America.

These changes have opened debate on the purpose and direction of ESCAP in the future.

One major concern is the flow of assistance outside the Asia-Pacific region.

"Stability in central and Eastern Europe is in the interest of both developed and developing countries, but concern has been raised that resources not be transferred away from developing countries to aid those countries undergoing economic transition," says Koji Kakizawa, parliamentary vice minister at the Japanese Foreign Ministry.

"We must see to it that the support for countries undergoing economic transition does not reduce the total support for developing countries," he says.

Malaysia voices the same concerns.

"Developing countries of the Asia-Pacific region would have to compete for funds with the new market economies in East Europe, the former Soviet Republics and others," says the Malaysian minister of law, Dato Syed Hamid Albar.

"This would place greater pressure on availability of funds and the cost of obtaining funds," he says.

Kakizawa wants donor countries to recognize their added responsibilities to the world economy, and increase their donations and aid.

Hamid Albar wants the ESCAP region to develop strategies to encourage growth of domestic savings to increase the intra-regional flow of investment.

On the other side are nations like Mongolia, which is eager to see ESCAP pay special attention to transitional economies.

Mongolian Deputy Foreign Minister J. Choinkhor [name as received] says he wants ESCAP to initiate and implement a regional project on effectively assisting transitional economies to help them integrate globally.

"I would like to request the ESCAP Secretariat to mobilize additional resources for the transitional economies," he says.

Faced with these different demands, some are calling for sub-regional groupings as a solution.

South Korean Foreign Minister Yi Sang-ok said this approach was necessary for increased economic efficiency considering the economic diversity of the Asia-Pacific region.

"Despite their limited scope and framework, the existing sub-regional groups have acted as catalysts in promoting regional economic cooperation. Consequently, ESCAP should encourage and support economic cooperation activities at a sub-regional level," Yi said in his statement to the plenary session.

Malaysia concurs on this point.

"There is no single solution to the problem owing to the multifaceted nature of problems facing us in our endeavor to achieve progress and development," Hamid Albar says.

"The problem may be viewed from different perspectives to arrive at a satisfactory resolution," he says, suggesting that these different perspectives be handled through the sub-regional approach.

One commission official, requesting anonymity, says she finds these supporters of the sub-regional approach

appealing but they need to provide concrete measures to ensure that their approach will indeed work for the benefit of the entire region.

"The sub-regional approach is practical and effective in theory, but I am somewhat concerned that they do not offer an outline on how it will encompass the non-mainstreamers," she says.

She reasons that the sub-groupings will end up giving more voice to the more developed nations in the groups, leaving out nations like the Pacific islanders who deserve special care.

"We need to make sure that the sub-groups work fairly for all, we have to hear more on how this can be done," she says.

### **Indonesia Proposes Amendment**

*BK1504162892 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 15 Apr 92*

[Text] Indonesia will propose a minor amendment to the draft resolution on economic cooperation among ESCAP [Economic and Social Commission for Asia and the Pacific] member countries even though it has earlier welcomed the resolution. Foreign Minister Ali Alatas made the remarks after he met with his PRC counterpart Qian Qichen in Beijing today.

Alatas noted that the proposed amendment, aimed at strengthening the document, had earlier been relayed to South Korean Foreign Minister Yi Sang-ok. The Indonesian foreign minister said the contents of the declaration were already acceptable, but an amendment to one or two of its clauses would further strengthen the document. Generally speaking, ESCAP member countries have no difficulty in supporting the document.

### **U.S. Not To Rule Out Military Response to Iraq**

*OW1304003492 Beijing XINHUA in English 2256 GMT 12 Apr 92*

[Text] Washington, April 12 (XINHUA)—U.S. President George Bush's National Security adviser said today the United States would not rule out military force against Iraq if it used missiles against U.S. reconnaissance flights over the north Iraq.

Iraq has urged a halt to U.N. U-2 spy plane flight over the north Iraq and said aircraft and pilots were in danger from possible "unfortunate incidents."

In an interview with NBC-TV Network's "Meet the Press," Brent Scowcroft said "they will not get away with anything," when asked how the United States would respond if Iraqis used missiles against U.S. reconnaissance flights.

Scowcroft also said Iraq had installed some surface-to-air missiles in a prohibited zone and the United States has been consulting its allies about its response.

On Iran, Scowcroft said Iran is no longer the counterweight to Iraq that it once was, and there were "some troublesome implications" in Iran with a massive military buildup program underway.

But he said the United States still has "significant force there and I think one of the things we have demonstrated is our ability to come to the aid of any gross instabilities which develop in the region."

### **Supreme Court Head Vows To Better Copyright Laws**

*OW1504195292 Beijing Radio Beijing in English to Western North America 0400 GMT 15 Apr 92*

[From the "News About China" program]

[Text] Premier Li Peng calls for greater international cooperation in protecting intellectual property. He told an international symposium in Beijing on Tuesday that a legal system has been established in China for this purpose. The premier predicted further improvements along with more efforts made to deepen reform and open wider to the outside world.

China's Supreme Court President Ren Jianxin assured the participants of better copyright laws and corresponding regulations in the country. He said that the revised patent law will extend terms for patents and provides new protection for chemical and pharmaceutical products.

### **United States & Canada**

#### **XINHUA Says U.S. Has No 'Say' in Hong Kong**

*HK1604015992 Hong Kong CHING CHI JIH PAO in Chinese 16 Apr 92 p 8*

[Report: "Zhang Junsheng Says Hong Kong Affairs Do Not Tolerate Other Countries Meddling or Having Say"]

[Text] Zhang Junsheng, XINHUA Hong Kong Branch deputy director, said the move by the U.S. Congress to draft a bill on Hong Kong policy was unreasonable. He held that Hong Kong affairs do not need other countries meddling or having a say.

Early this month, U.S. Assistant Secretary of State Solomon said that in principle, the Bush administration supports Congress in drafting a bill on Hong Kong policy. Yesterday, Zhang Junsheng reiterated that Hong Kong's problems are a matter between China and Britain at this time, and an internal matter within China after 1997, and that other countries have no right to interfere.

#### **New Regulation on Textiles Exported to U.S.**

*HK1404130792 Hong Kong ZHONGGUO TONGXUN SHE in English 1235 GMT 14 Apr 92*

[Text] Beijing, April 14 (HKCNA)—China's Ministry of Foreign Economic Relations and Trade has decided that a new regulation concerning textile products exported to

the U.S. will be implemented starting May 1, this year. The new regulation requires that the name and address of the manufacturer of the products should be shown in the ninth column of the export certificate with the aim of assisting the American Government in investigating problems of illegal re-export of textile products.

This is a new measure adopted by the Ministry to reinforce administration of re-export of textile products, especially as regards the U.S., by preventing use of tags of origin of a third country or region.

According to the new regulation, the manufacturer of a product means the actual producer and not an export agent. As for products which have undergone several manufacturing processes, the manufacturer refers to the main processor.

#### **Vice Minister on Reforming Import Structure**

*HK1604022792 Hong Kong HSIN PAO in Chinese  
16 Apr 92 p 6*

[By Chen Wei-chung (7115 5898 0022) in Guangzhou: "Wu Yi Says New Round of Sino-U.S. Talks Will Focus on Reform of China's Import Structure"]

[Text] Wu Yi, vice minister of China's Ministry of Foreign Economic Relations and Trade, said in Guangzhou yesterday that the new round of Sino-U.S. talks will focus on reforming China's import structure. In fact, the Chinese Government has made this reform a focal point of this year's reform of the foreign trade structure and has made a great deal of preparatory work in this field. Therefore, it is confident that both sides will achieve satisfactory results in the new round of talks on Article 301.

At a foreign trade work conference recently, Minister Li Lanqing of the same ministry had already made concrete arrangements for reform of China's import system. They include: 1) gradually reducing China's tariffs to a level required by GATT; 2) working out a "foreign trade law" and an "antidumping law"; and 3) reducing the range of management by import license and establishing a foreign trade system with tariffs as the main regulatory means in order to reduce administrative interference.

Wu Yi said that in the new round of Sino-U.S. talks, a vice minister will lead the Chinese delegation in its negotiations with the U.S. side. She made these remarks after attending the opening ceremony of the Guangzhou Trade Fair.

The 71st Chinese Export Commodity Trade Fair opened in Guangzhou yesterday morning. More than 4,200 Chinese and foreign guests attended the opening ceremony.

Tian Jiyun, vice premier of the State Council, Wu Yi and Gu Yongjiang, vice ministers of the Ministry of Foreign Economic Relations and Trade, Guangdong Governor Zhu Senlin, Vice Governor Lu Ruihua, and Mayor of Guangzhou Li Ziliu were present at the opening ceremony.

A trade fair official said that to increase transactions, the current trade fair will adopt two major strategies, namely, "winning victory through quality" and "diversifying markets." While consolidating and developing original markets, positive efforts will be made to open up new markets in Southeast Asia, the Middle East, Africa, and Latin America.

#### **Northeast Asia**

##### **Jiang Zemin, Yi Sang-ok View Regional Ties**

*SK1504093692 Seoul YONHAP in English  
0914 GMT 15 Apr 92*

[Text] Beijing, April 15 (YONHAP)—South Korean Foreign Minister Yi Sang-ok met with Chinese Communist Party General Secretary Jiang Zemin at the Great Hall of the People Wednesday and they discussed matters of common concern, including Sino-Korean cooperation in regional issues.

Yi, here to attend the 48th session of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP), praised the Chinese Government for its successfully hosting of the session.

Jiang, in return, thanked Yi for South Korea's cooperation and said close Sino-South Korean relations had contributed to stability and prosperity in Asia and the Pacific region.

##### **Column Views Relations With South Korea**

*HK1604120792 Hong Kong HSIN PAO  
in Chinese 16 Apr 92 p 2*

["New Talk" column: "Yang Shangkun's Trip to Pyongyang and Relations Between China, South Korea"]

[Text] The annual session of the UN Economic and Social Commission for Asia and the Pacific [ESCAP] is now in progress in Beijing. Chinese Foreign Minister Qian Qichen will chair the session. South Korean Foreign Minister Yi Sang-ok, chairman of the previous session, has also arrived in Beijing. Yi presided over the preparatory meeting and handed over his work to Qian Qichen after he was elected session chairman.

New UN Secretary General Ghali also arrived in Beijing. This is his first visit to China since he assumed office. Ghali pointed out in his speech that, viewed from both economic and political angles, China is playing a very important role in maintaining a balance between the East and West and between the North and South.

The convocation of an important UN meeting in the Asia-Pacific region, which has 45 member nations and 10 quasi-member nations, in Beijing and the UN secretary general's appraisal of China form a sharp contrast to certain international moves which try to make things difficult for China, economically and politically.

Economies of almost all countries have slowed down over the past few years and the possibility of a global economic crisis is not yet ruled out. However, Asia's economic growth is known to all. The policy of further reform and opening up recently promulgated by China has attracted worldwide attention. The convocation of the current annual ESCAP session will be of great significance to the development of the regional economy.

South Korean Foreign Minister Yi Sang-ok's contacts with Chinese officials after his arrival in Beijing has also become the focus of public attention. He is the highest official from South Korea to visit China. Although he has come to Beijing as chief representative of an international conference, he will hold talks with Qian Qichen and also meet with Chinese Premier Li Peng. Both sides have mentioned further improvement of their relations.

After both North and South Korea joined the United Nations last autumn, China's relations with South Korea have developed further, which mean that the two countries will establish diplomatic ties. Prior to Yi Sang-ok's arrival in Beijing, Qian Qichen said that talks between the two foreign foreign ministers will "cover much ground." After Yi's arrival in Beijing, foreign dispatches from Seoul reported that he passed on South Korean President No Tae-u's message requesting normalization of relations between the two countries. Li Peng also asked Yi to convey his message, asking No Tae-u to hold talks with Chinese President Yang Shangkun.

Yang Shangkun left for Pyongyang that very day. This is his second visit to North Korea since he assumed the office of state president. Although he has been invited to North Korea to mark the 80th birthday of Kim Il-song, according to a XINHUA report, the two leaders exchanged views on bilateral ties, the situation in the Korean peninsula, and international issues of common interest.

Prior to Yang's departure for Pyongyang, two North Korean announcements attracted public attention. First, the 24th U.S.-North Korean talks will be held in Beijing. This is a written response made by North Korea to Washington's request for normalization of ties. This morning, the WASHINGTON TIMES published an interview with President Kim Il-song, who said that following the end of the Cold war, improvement of relations between the two countries should be a pressing task. This is probably the main spirit of his written response to the United States. Second, Pyongyang officially agreed to the inspection of its nuclear facilities, based on the condition that both North and South Korea should be put on an equal footing.

The response of the United States and South Korea to Pyongyang's offer is not yet known, but a change in Pyongyang's attitude has been clear. Thus, it can be predicted that we can get the answer to the question of establishment of diplomatic relations between China and South Korea when Yang Shangkun returns home after his five-day tour.

## Further on Yang Shangkun's Trip to DPRK

### Attends Birthday Celebrations

OW1504143992 Beijing XINHUA in English  
1420 GMT 15 Apr 92

[Text] Pyongyang, April 15 (XINHUA)—Visiting Chinese President Yang Shangkun and his entourage attended today some of the events here in celebration of the 80th birthday of President Kim Il-song of the Democratic People's Republic of Korea (DPRK).

This afternoon, Yang Shangkun and heads of state from some other countries joined Kim Il-song in watching a grand group callisthenics held at Kim Il-song Stadium by nearly 100 thousand people.

In the evening, the dignitaries attended a gala celebration at Kim Il-song square which was highlighted by a fireworks display.

At noon today, the Chinese president along with other foreign leaders, accompanied by President Kim and senior Korean officials, attended a celebration banquet.

President Yang arrived in Pyongyang on April 13 for a five-day official goodwill visit to the DPRK at the invitation of President Kim.

### Meets Guinean President

OW1504223192 Beijing XINHUA Domestic Service  
in Chinese 0408 GMT 15 Apr 92

[By reporter Gao Haorong (7559 3185 2837)]

[Text] Pyongyang, 15 April (XINHUA)—President Yang Shangkun said here today that a good job in developing the national economy by the developing countries will be beneficial to regional as well as world peace.

Yang Shangkun, who has been visiting Korea, made the remark at a meeting with Guinean President Lansana Conte at the Hundred Flowers Garden State Guesthouse in Pyongyang.

Yang Shangkun said: China attaches great importance to developing its friendship and cooperation with Guinea. In developing their own national economies, China and Guinea should assist each other and continue their friendly relations in all areas. China is willing to work for the further expansion of friendly relations between the two countries.

Briefing his Guinean counterpart on China's efforts to accelerate reform and open wider to the outside world, the Chinese president said: The Chinese people are now concentrating on pushing forward their economic construction. He expressed the hope that all developing countries will do a good job in developing their own national economies as this will benefit peace in their respective regions and in the world as a whole.

The Guinean president expressed his thanks to the Chinese people for their assistance to Guinea and said that the Guinean Government would like to continue to develop cooperative relations with China.

Chinese Vice Premier Wu Xueqian, Vice Foreign Minister Yang Fuchang, and Ambassador to Korea Zheng Yi were present at the meeting.

#### **'Talk' on DPRK Ratification of IAEA Accord**

SK1504152092 Beijing Radio Beijing  
in Korean 1100 GMT 12 Apr 92

[Unattributed talk: "Significant Efforts To Realize the Denuclearization of the Korean Peninsula"]

[Text] On 9 April the DPRK Supreme People's Assembly [SPA] deliberated upon and passed the nuclear safeguards accord signed by the DPRK Government and the International Atomic Energy Agency [IAEA] on 30 January.

The DPRK's highest legislative institution's formal ratification of this accord means that the DPRK has taken a significant step toward pushing for denuclearization of the Korean peninsula.

Nuclear weapons on the Korean peninsula have long been an issue. The United States, member state of and signatory to the Nuclear Nonproliferation Treaty [NPT], deployed tactical nuclear weapons in South Korea in the latter half of the 1950's.

Last year, the United States and South Korea, after setting a propaganda offensive in motion, not only said that North Korea's development of nuclear weapons was in full swing, but also incessantly put pressure on it, demanding that the North accept unilateral nuclear inspection.

In response to this, North Korea insisted that the U.S. nuclear threat be removed and that the nuclear facilities in the North and the U.S. nuclear bases in the South be opened to simultaneous inspection.

The DPRK Government invariably insists on making the Korean peninsula a nuclear-free peaceful zone. It has also made active efforts to realize this. The DPRK signed the NPT in early December 1985, and the major purpose of that was to have the United States withdraw its nuclear weapons from South Korea.

It was because of the nuclear threat from the United States that the DPRK did not sign the nuclear safeguards accord with the IAEA in accordance with the regulations specified in the NPT. Since the latter half of last year, the DPRK Government has studied some positive measures taken by the United States and South Korea concerning the nuclear issue.

Among these measures are a U.S. declaration on the withdrawal of its tactical nuclear weapons from South

Korea; the South Korean authorities' nonnuclear declaration and the nonexistence of nuclear weapons exist in South Korea; the decision by the United States and South Korea to suspend the Team Spirit joint military exercises this year; and South Korea's signing of the joint declaration on denuclearizing the Korean peninsula with the North side.

The DPRK Government considers that its call for resolving the nuclear issue on the Korean peninsula has been basically met and that it was time to ratify the nuclear safeguards accord.

Based on the regulations stipulated in the nuclear safeguards accord that was passed, the DPRK is expected to accept nuclear inspection as soon as possible according to the procedure and method to be agreed upon between the DPRK and the IAEA. The DPRK will provide the IAEA with the documents and data necessary for nuclear inspection and open all of its nuclear facilities.

The ratification of the nuclear safeguards accord at the DPRK's SPA clearly shows its strong desire not to develop nuclear weapons and to use the nuclear energy for peaceful purposes.

The DPRK Government said that it will continuously make efforts for denuclearization of the Korean peninsula and for the peaceful use of nuclear energy.

#### **Commentary Views DPRK S&T Development**

SK1604025192 Beijing Radio Beijing in Korean  
1100 GMT 11 Apr 92

[Commentary by station commentator: "The DPRK Is Directing Its Interest to Development of Science and Technology"]

[Text] In recent years, the DPRK has been further increasing its scientific and technological development by strengthening large-scale control of science and technology and by organizing scientific and technological research, as well as by generalizing such research.

To accelerate the development of science and technology, the DPRK Government and party not only took many strong measures but also prepared a three-year scientific and technological development plan. An important task of this plan is to guarantee a successful execution of the third seven-year national economic plan.

In a decree announced in December 1988, Comrade Kim Il-song, the DPRK president, instructed that an electronic automation committee be formed and that implementation of the three-year scientific and technological development plan be organized. For this, the DPRK formulated a law on science and technology and founded scores of new science and technology research institutes. In addition, to strengthen the forefront of scientific and technological research forces, the scientific

research sector recruited several thousand young and able scientific functionaries.

The main targets of scientific research in the DPRK are electronics, thermal energy, and biology. For the past several years, the DPRK has achieved some successes in scientific research in these three domains. Scientific research functionaries successfully researched and selectively manufactured new electronic parts, an electronic computer, numerically controlled machine tools, parts for automation, and robots. The DPRK also established a large-scale research, manufacturing, and production system for integrated circuits. In addition, great development occurred in research on various kinds of robots used in such work as electronic computers for factory automation, cutting, welding, forging, assembly, and transportation.

Scientific and technological functionaries of Kim Il-song University successfully developed a high-temperature superconductor system in only 70 days by using materials, including a helium gas device, that they made by themselves.

By concentrating efforts on the thermal energy research field, the DPRK developed its abundant coal resources and put low-heat coal into comprehensive use. The Coal Research Institute invented a (?non-debris) coal extraction method and hydraulic method of coal mining. The Thermal Energy Research Institute researched and manufactured a low-heat coal boiler and (?stone) coal boiler. These boilers have been gradually used at various power plants and civilian heating channels, thus clearly showing their efficiency. The scientific research unit helped enterprises, including Chongchongang thermal power plant and Kilju pulp plant, solve scientific and technological problems, which made the coal research institute famous.

In addition to these fields, the DPRK made some progress in attaining value from peat, putting it to practical use as fuel for automobiles and civilian uses, and in researching solar energy.

Scientific functionaries in the field of biology research succeeded in researching biological engineering, including cell engineering, genetic engineering, and (?advanced) transplanting, and in new varieties of agricultural products.

Research in obtaining data in the process of chemical waste disposal, urban waste water, and waste material made remarkable progress. The success in the latest research in the field of biology began to be applied to agricultural production. As a result, agricultural products that can resist blight and harmful insects and are highly adaptable came into being.

For the past five years, scientific functionaries in the DPRK have not only effected more than 60,000 kinds of technological innovations every year, but also have

received a total of 220 prizes for inventions and new technology at international exhibitions on inventions and new technology.

### Monthly Magazine Criticizes Japanese Militarism

OW1404121892 Tokyo KYODO in English  
1148 GMT 14 Apr 92

[Text] Beijing, April 14 KYODO—An influential Chinese periodical on foreign affairs has carried an article severely criticizing a Japanese Government attempt to dispatch Japan's Self-Defense Forces overseas for United Nations peacekeeping operations.

On Monday, Japanese Prime Minister Kiichi Miyazawa reiterated his resolve to enact a bill to enable the Self-Defense Forces personnel to join the UN peacekeeping activities in overseas trouble spots.

The government-proposed bill, which was approved last November by the House of Representatives, is currently being discussed by the House of Councillors. However, the opposition parties, which dominate the upper house, have demanded the scrapping or modification of the bill.

Diplomatic sources in Beijing said there is a high possibility that Beijing will mobilize daily newspapers and other mass media to wage a campaign against the possible overseas dispatch of the Japanese military personnel to coincide with the progress in deliberations on the bill in the Japanese Diet.

The article carried by the latest issue of the monthly magazine INTERNATIONAL STUDIES, [GUOJI YAN JIU] issued by the Institute of International Studies, an affiliate of the Chinese Foreign Ministry, says that the leaders of Asian countries expect Japan to play a major role in the field of economy and peace.

The article adds, however, that the Asian leaders and people do not want Japan to exert its influence in the military area.

The article accuses the Japanese leaders of ignoring Asian peoples' wishes and constantly expanding Japan's military strength.

The article points out that the bill is designed to fill the "military vacuum" in Asia caused by the withdrawal of the former Soviet Union from Vietnam and the United States pullout from the Philippines.

China is concerned about possible expansion of Japanese political and military influence even though it wants more Japanese economic assistance to promote the country's modernization programs, the sources said.

### Column Views Prospects for Sino-Japanese Ties

HK1304005992 Hong Kong TA KUNG PAO  
in Chinese 11 Apr 92 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Solid Sino-Japanese Economic Cooperative Relations"]

#### [Text] Meeting Many Old and New Friends in Japan

General Secretary Jiang Zemin and his delegation finished their visit to Japan yesterday and flew from Fukuoka of Kyushu back to Beijing by special plane. Although the five-day visit was short, the schedule was full of busy activities. Among people in power and not in power met by Jiang Zemin, there were seven former prime ministers, including Kakuei Tanaka. In the talks with all old and new friends, people unanimously agreed that China and Japan should further expand their economic, cultural, scientific, and technological cooperation. This year is the 20th year since the restoration of diplomatic relations between China and Japan. The achievements made by the two sides are obvious to all, and the prospects of cooperation and exchange between the two countries in the future will be broader.

From the favorable human, historical, and geographical conditions, one may also expect that a new chapter will be started in cooperative relations between China and Japan.

As the third-generation leader of the CPC, Jiang Zemin has shown his maturity and savvy, and his sense of science has won favorable comments at home. His visit to Japan followed the enlarged meeting of the CPC Political Bureau which made a resolution on carrying forward the spirit of daring to make breakthroughs and quickening the pace of reform and opening in light of Deng Xiaoping's important speeches during his inspection trip to the south before and after this year's Spring Festival. Wherever he went during his visit to Japan, Jiang Zemin repeatedly told the Japanese friends in all circles that China would persist in reform and opening as Deng Xiaoping advocated and would never change the line of focusing its efforts on developing the economy and improving the people's livelihood. On the other hand, Japan's Government and nongovernment institutions have always firmly and faithfully supported China's reform and opening. At such an opportune moment, on the basis of the achievements made in the past 20 years, Jiang Zemin's visit was indeed a major event in the annals of Sino-Japanese relations, and will play a positive role in promoting the development of relations between the two countries.

#### China and Japan Share Same Goal in Promoting Peace

On 8 April, YOMIURI SHIMBUN published an editorial entitled "A New Era of Frank Dialogue Between Japan and China." It expressed appreciation for Jiang Zemin's stress on China's adherence to the line of reform

and opening and his willingness to learn from the economic development experiences of various developed countries during his visit to Japan. The newspaper said that Miyazawa's stress on "building a Japanese-Chinese relationship that will make contributions the work" is coincident with Jiang's thesis that "Sino-Japanese friendship will produce influence on world peace and development," and both are aimed at the same goal. The newspaper also said that although the cold-war structure has collapsed and the international trend is coordination, economic frictions and nationalism are also in the forming. While facing such a reality, "Japanese-Chinese relations will be of new significance and bear new responsibility for peace and cooperation in Asia and in the whole world."

#### Visit Was Successful on the Whole

In general, China and Japan have kept their cooperation and coordination well. In particular, their economic relations, which form an important aspect in the development of bilateral relations, represent the common interests of both sides. However, there also exist some problems and differences.

Japan hoped that China would support Japan's decision to send peace-keeping troops abroad in response to the call of the United Nations. In addition, Japan did not agree with China's recent Offshore Territory Law which includes Diaoyu Islands in China's territory. Moreover, some people in China demanded Japan's war indemnities to the Chinese people. Jiang Zemin clarified China's position on these questions before and during his visit to Japan, but his statements did not completely satisfy the Japanese side.

In fact, by stressing that Japan should behave more prudently on the sensitive issue of sending troops abroad, China meant to give advice to Japan. On the issue of Diaoyutai Islands, Jiang Zemin reiterated China's position of shelving the issue at the time being and leaving it to the future generations for its settlement. This was a realistic approach that dodged the contradictions and preventing from hurting each other's feelings. Many Japanese friends also expressed their understanding.

Such minor differences are simply negligible in the mighty trend of Sino-Japanese friendship and cooperation. "One should range one's eye far over long vistas." Jiang Zemin wrote this verse when visiting the Japanese Journalists' Club, and the Japanese friends also deeply understood the meaning of this verse. General speaking, Jiang Zemin's visit to Japan was successful.

#### Japanese Firm To Invest in Development Zone

OW1604034592 Beijing XINHUA in English  
0257 GMT 16 Apr 92

[Text] Tianjin, April 16 (XINHUA)—Japan's Mitsumi Electric Co. Ltd is to invest 20 million U.S. dollars in an enterprise in Tianjin's new technology development zone.

Mitsumi has signed a land-use right contract with the Tianjin Land Administration for its projected high-frequency electronic components venture.

One of the biggest companies in Japan producing electronic components, it has 13 branch factories in other countries.

The new factory—the company's third in China—will take up an area of 21,000 square meters and employ 2,000 workers.

#### **Anti-Japanese Diplomat Martyrs Commemorated**

*OW1504140892 Beijing XINHUA in English  
1341 GMT 15 Apr 92*

[Text] Nanjing, April 15 (XINHUA)—More than 100 people held a rally here today to commemorate the 50th anniversary of the death of nine anti-Japanese diplomat martyrs.

Eight of them, the former Chinese diplomats to Manila, stood fast at their posts when the Japanese invading army occupied the Philippines in 1942 and were shot dead collectively. The ninth was the former consul general to Malaysia who died after three years' imprisonment by the Japanese army.

The remains of the nine martyrs were airlifted back to Nanjing, the capital of the Kuomintang government at that time, in 1947.

### **Near East & South Asia**

#### **Qian, Velayati Discuss Regional Cooperation**

*LD1504121492 Tehran Voice of the Islamic Republic of Iran in English 1830 GMT 14 Apr*

[Excerpts] As you heard in the news, Iranian Foreign Minister Velayati is in Beijing. [Passage omitted]

Islamic Republic of Iran and China have common interests and desires in many fields. And exactly because of these bilateral interests President Rafsanjani's message says: Iran is now going through reconstruction period and has drawn up broad-based programs. China can be an active partner since it has considerable technical and human resources.

Among the projects anticipated for China's partnership to further extend the relations are construction of cement factories and metros tube in large cities of Iran. This subject was discussed between Iranian Foreign Minister Velayati and his Chinese counterpart Qian Qichen. The second important issue is regional cooperation between these two countries, topped by the issue of Afghanistan and central Asia. Political developments in this part of the world subsequent to changes in the former Soviet Union and independence of central Asia is of special significance for national security of Iran and China, since the region borders with both of the countries.

It is also natural, to a certain point, that Iran and China take a single stance with regards to developments there and ties with those states. Specially political settlement of the Afghan issue on the basis of the UN Chief's five-point plan, already underway, is among the subjects which the states of Iran and China about Afghanistan's national independence and territorial integrity is considered fateful.

What has harmonized the positions of these two countries is the relatively similar approach toward major world issues. In this regard, we can point to the new world order. During the post cold war era and change in power polarization at international level, grounds for favorable promotion of cooperation. China and Iran both believe that the new world order, (as defined) by the United States, is not (word indistinct) with the national interests and independence of Third World states. For this reason it cannot be implemented worldwide. Both countries stress this point that in the new world order all countries, large or small, and away from their special conditions, must enjoy equal right in international decisionmaking. Even though this view is not compatible with what America has in mind it has been of attention for Third World countries, encouraging these two states to follow the matter more seriously.

At any rate, expansion of Sino-Iranian political and economic relations are considered in line with their interests. And since both countries have common views, to a certain extent, about regional and international issues, it can be predicted that they improve their ties further in the future. Mr. Velayati's trip is worth attention, specially in this regard, and has been extensive coverage at political circles.

#### **CPC Delegation Begins Bangladesh Visit**

*OW1404135992 Beijing XINHUA in English  
1217 GMT 14 Apr 92*

[Text] Dhaka, April 14 (XINHUA)—A delegation of the Communist Party of China (CPC) arrived here on a week-long goodwill visit to Bangladesh at the invitation of the ruling Bangladesh Nationalist Party (BNP).

This is the first party delegation from China to visit its friendly South Asian neighbor since Bangladesh gained its independence in 1971.

While talking to newsmen after his arrival here on Monday midnight, the CPC delegation leader Jiang Guanghua, who is deputy head of the liaison department of the party's Central Committee, said China and Bangladesh are close neighbors with traditional friendship. "I am glad to have an opportunity to interchange opinions on further development of bilateral relations between the two parties with leaders of BNP and other friends," he said.

The six-member delegation laid a wreath on the national memorial this morning. Later on they were invited to

join in the celebration activities of the Bangla new year 1399, as it happened to be the first day of the new year today.

During their stay here, the delegation is expected to call on Prime Minister Begum Khaleda Zia, who is also the chairperson of the BNP, and hold talks with vice chairman and general secretary of the party on bilateral relations and other matters of mutual interest.

#### **Meets BNP Secretary General**

OW1504181892 Beijing XINHUA in English  
1651 GMT 15 Apr 92

[Text] Dhaka, April 15 (XINHUA)—China and Bangladesh should not only develop their government to government relationship but also party to party relationship. Secretary General of Bangladesh Nationalist Party (BNP) Talukder said here today.

The party secretary general was talking to a visiting Chinese Communist Party goodwill delegation led by deputy head of the liaison department of the CPC's Central Committee who called on him this afternoon at parliament.

Talukder said that both Bangladesh and China are Asian countries with many common points. With the development of the relationship between the two governments, the relationship between the two ruling parties should also be further developed for the promoting of the cooperations between the two countries in cultural, agricultural, industrial and all other areas.

He stressed that BNP attached major importance to the brotherly relations between the two countries which was founded by the late President Zirur Rahman.

He said the relationship between the two ruling parties have been further developed since Prime Minister and Chairperson of BNP Khaleda Zia's visit to China last year during which she had not only talked with the leaders of the Chinese Government but also the Secretary General [title as received] of CPC Jiang Zemin.

Jiang Guanghua spoke highly of the traditional friendship between China and Bangladesh.

He said that for the lasting world peace, China wishes to maintain good relationship with the countries all over the world, especially its neighboring countries.

He said both China and Bangladesh are developing countries. It is the important part of China's foreign policy to strengthen its good relations with Bangladesh.

He stressed the development of the relationship between the two ruling parties will contribute to the strengthening of the friendship between the two governments and the two peoples.

The six-member Chinese delegation which had arrived here on Tuesday night on a week-long goodwill visit, also

called on the Deputy Chairman of BNP and Speaker Sheikh Razzak Ali here today.

#### **'Roundup' on Indian Defense Minister's U.S. Tour**

OW1304211592 Beijing XINHUA in English  
1822 GMT 13 Apr 92

[Roundup by Zhan Dexiong: "Indian Defense Minister on His Visit to U.S."]

[Text] New Delhi, April 13 (XINHUA)—India's Defense Minister Sharad Pawar today described his just concluded visit to the United States as a "good trip".

Sharad Pawar told newsmen here that atmosphere in relations between the two countries had "totally changed" with the United States and India's overall perceptions in the region finding compatibility.

He said he had held extensive discussions with the U.S. leaders and felt that the United States did not want any country to create a problem in South Asia, and wanted India to play a more positive role in the region.

Sharad Pawar arrived at Washington on April 7. On the same day he had meetings at the Pentagon, the White House and at his hotel with senior U.S. officials. At the Pentagon U.S. Defense Secretary Dick Cheney and the Indian minister discussed mutual security concerns and Cheney accepted Pawar's invitation to visit India, possibly next year, according to local press quoting reports from Washington.

At the White House, where the defense minister met Brent Scowcroft, the U.S. national security advisor, and at his hotel, where Reginald Bartholomew, under-secretary of state, called on him. [sentence as received] Pawar had discussions with them that were more political in nature than the one he had at the Pentagon. Nuclear non-proliferation was the main topic instead of defense cooperation.

Sharad Pawar said on April 8 that India is generally not against nuclear non-proliferation but the Narasimha Rao government will decide on its participation in the proposed five-countries conference on South Asia nuclear non-proliferation only after it had bilateral talks on the subject with the USA, UNITED NEWS OF INDIA (UNI) reported from Washington.

He said officials of the two countries would meet soon in New Delhi for a comprehensive discussion on the parameters and agenda of the conference on a nuclear weapon-free South Asia.

The five-countries conference was suggested by Pakistan last year which includes the U.S., Russia, China, India and Pakistan. India opposed the suggestion, preferring a global approach to non-proliferation issue. Pawar's remarks signaled some changes in India's position on the issue, observers here said.

Talking on military cooperation, Sharad Pawar said on April 8 in Washington that India had always sought and received from the U.S. collaboration in defense technology but never arms. "I am not going to buy anything," he said.

Dr. V.S. Arunachalam, secretary in the Defense Ministry who accompanied Pawar during the visit, said on April 8 in Washington, defense technology collaboration between the U.S. and India was going very well in many fields, including light combat aircraft and under-water technology.

Pawar told correspondents on April 8 that the joint naval exercises, symbolic of improving defense cooperation between India and the U.S. could take place in May or June.

He said he had invited Cheney to visit India. The visit would take place early next year after the U.S. elections.

Pentagon spokesmen and the U.S. service chiefs have agreed that their talks with Indian Defense Minister Sharad Pawar had brought the two countries together and has heralded further cooperation, PRESS TRUST OF INDIA (PTI) reported on April 10, quoting news from Washington.

The Pentagon spokesmen confirmed that the joint Indo-U.S. naval exercises will be held soon.

### East Europe

#### Heilongjiang, Serbia Reach Agreement on Trade

LD1004140992 Belgrade TANJUG in English  
2029 GMT 9 Apr 92

[Text] Harbin, China, April 9 (TANJUG)—Premier of the Yugoslav Republic of Serbia Radoman Bozovic and governor of China's Heilongjiang Province Shao Qihui reached political agreement in the provincial capital of Harbin today on a radical increase in the volume of bilateral trade through establishing a general barter system of trade.

Bozovic and Shao today signed a protocol on the talks which envisages further steps that should be taken towards implementing the agreed.

It has also been agreed to exchange expert teams which should give concrete shape to the political agreement and specify commodity lists and regulate other questions of economic relations.

Bozovic is visiting Harbin at the invitation of the leadership of the Chinese province, which has for 12 years been maintaining friendly relations with Serbia.

Bozovic was today received by president of the provincial parliament Sun Weiben, who reiterated governor Shao's words that the political authority in Heilongjiang would support and stimulate Chinese businessmen in the province to cooperate with Serbia.

It has also been agreed that the two sides investigate the possibility of mutual investment in the free trade zones in Belgrade and in this Chinese province.

Both sides today said it was necessary to consolidate the foundations of the friendly and good political relations existing between Yugoslavia and China and between Serbia and Heilongjiang through intensifying economic cooperation.

#### Albanian President Appoints Meksi as New Premier

OW1104031492 Beijing XINHUA in English  
0158 GMT 11 Apr 92

[Text] Tirana, April 10 (XINHUA)—Albanian President Sali Berisha today appointed Aleksandr Meksi, vice president of the country's last assembly, as prime minister, the official TELEGRAPHIC NEWS AGENCY reported.

Meksi had been authorized to form a new government, the agency said.

Meksi was born in Tirana on March 8, 1939.

He specialized in building projects at Tirana University and speaks several foreign languages.

In 1988, he was granted a science doctorate.

As one of the founders of the Albanian Democratic Party, Meksi is also a member of the party's leading committee.

### Latin America & Caribbean

#### Peruvian Air Force General Continues Visit

##### Meets Defense Minister

OW1604094092 Beijing XINHUA in English  
0934 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—General Qin Jiwei, Chinese state councillor and minister of national defence, met with general Armando Velarde Ramirez, commanding general of the Peruvian Air Force, and his party at the Great Hall of the People here this afternoon.

The visitors arrived here Monday as guests of General Wang Hai, commander of the PLA Air Force.

##### Meets PLA Chief of Staff

OW1604113192 Beijing XINHUA in English  
1114 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met with and hosted a dinner for General Armando Velarde Ramirez, commanding general of the Peruvian Air Force, and his party here this evening.

The visitors arrived here Monday as guests of General Wang Hai, commander of the PLA Air Force.

**Ecuadoran Visitors Meet Court Head Ren Jianxin**

*OW1504132492 Beijing XINHUA in English  
1308 GMT 15 Apr 92*

[Text] Beijing, April 15 (XINHUA)—Ren Jianxin, president of the Supreme People's Court, met with Walter Guerrero, president of the Ecuadoran Supreme Court of Justice, and his party at the Great Hall of the People here this evening.

Ren briefed the guests on China's socialist legal system and China's reform and opening to the outside world.

The visitors arrived here on April 8 as guests of the Supreme People's Court.

**Meet NPC Vice Chairman**

*OW1604114292 Beijing XINHUA in English  
1117 GMT 16 Apr 92*

[Text] Beijing, April 16 (XINHUA)—Lei Jieqiong, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, met with Walter Guerrero, president of the Ecuadoran Supreme Court of Justice, and his party at the Great Hall of the People here this afternoon.

The visitors arrived here on April 8 as guests of the Supreme People's Court of China.

## Political &amp; Social

**Yuan Mu Advocates Implementation of Deng Line***HK1504091292 Beijing RENMIN RIBAO in Chinese  
14 Apr 92 pp 1, 2*

[Article by Yuan Mu (5913 2606): "Firmly, Accurately, Comprehensively Implement Party's Basic Line—Preface to 'Guidance for Studying Government Work Report to Fifth Session of Seventh NPC'"]

[Text] The Fifth Session of the Seventh National People's Congress [NPC] was convened at a crucial moment of our country's socialist modernization. Premier Li Peng's "Government Work Report" fully expressed the basic line of "one center, two basic points" constantly advocated by Comrade Deng Xiaoping and the spirit of Comrade Xiaoping's important talks earlier this year. The report was an important document for mobilizing the people throughout the country to rally closely around the party center with Comrade Jiang Zemin as the core and to further emancipate their minds, grasp the favorable opportunity, speed up reform and opening up, and accelerate economic development under the new situation.

The party's basic line of "one center, two basic points" represents the most valuable crystallization of the experience we have gained from the practice of the hundreds of millions of people who, being led by our party, unite as one to strive for socialist modernization under the guidance of Comrade Deng Xiaoping's thought and theory about building socialism with Chinese characteristics. The fundamental reason such immense changes have occurred in our country in the past more than 10 years lies in the fact that the basic line was being firmly carried out. Comrade Xiaoping once again recently stressed the need to hold fast to the party's basic line and keep it unshakable for 100 years. Only thus can there be long-lasting peace and order in our country and can China have a bright future and make great achievements.

Comrade Xiaoping's important talks are of great, immediate, and far-reaching historical significance. We should deeply understand and fully realize this. At present, the domestic and international situations are favorable to us. In the international arena, in the last few years, the world situation has undergone the most profound and immense changes since the end of World War II. The world witnessed the evolution [yan bian 3348 6239] in East Europe, the dissolution of the Soviet Union, and the termination of the old world pattern which was marked by confrontation between the two major blocs in the East and West and between the two superpowers. However, the new world pattern has not taken shape yet, and the world is changing into a multipolar one. There is an economic recession in the West; the competition among the United States, Japan, Europe, and Germany is getting more fierce and their contradictions are getting more intense; the North-South contradiction is also getting more salient. Various forces in the world are

undergoing division and realignment. There are complicated contradictions, with some old unstable factors fading away and some new unstable factors looming. Turbulence and unrest remain in the international situation, and the world is still not peaceful. Under such circumstances, China is facing both challenges and opportunities and difficulties and hopes. Anyhow, for China, the opportunities and hopes outweigh the challenges and difficulties. Our country still has much room for maneuvering in the world. It has been proved in practice during the last few years that our country, by constantly pursuing an independent peace-oriented foreign policy under a turbulent international situation, has developed good-neighborly and friendly relations with neighboring countries, consolidated our unity and cooperation with Third World countries, maintained normal relations with various republics of the former USSR and East European countries, frustrated the sanctions imposed by the Western countries against us and also restored relations with them on the basis of the five principles of peaceful coexistence, raised our country's international status and reputation in multilateral relations and extensive international activities, and created a new situation in our diplomatic work, thus creating a more favorable external environment for our country's socialist modernization. On the home front, the political and economic situation is rather good, and is getting better. The three-year economic adjustment and rectification was necessary, and was conducted rather smoothly. It has achieved the expected results. The smooth fulfillment of the economic adjustment and rectification task was inseparable from the substantial increase in our country's economic strength since the beginning of reform and opening up. We must realize this point. Although reform and opening up in the past 13 years encountered some twists and turns, the general situation was good, as the economy was developing, the national strength was increasing, and the people's livelihood was improving. This was the fundamental reason our country stood rock-firm in the East of the world, while drastic evolution occurred in some socialist countries. It was against such overall international and domestic situations that Comrade Xiaoping, taking a broad and long-term view and looking to the future with his great strategic foresight, expressed the hope and put forth the requirement that the entire party and people throughout the country would grasp the present opportunity, speed up reform and opening up, and boost the economy. Since we have the necessary domestic conditions and are facing a favorable international environment and we also enjoy the socialist system's advantages, which enables us to concentrate our strength to accomplish great projects, it is completely necessary for us to bring about a number of stages marked by a high growth rate and good economic efficiency in the long process of modernization in the future, and it is also possible for us to effect this. We must never let slip the current opportunity and must waste no time. The sense of historical mission and the sense of urgency in racing against time make us feel that we must tightly grasp the opportunity, concentrate our strength, and further quicken our

national economy's development. At present, our economic work should be focused on continuing the intensive action for adjusting the structure and enhancing efficiency. In particular, greater achievements should be made in boosting agriculture and improving the running of large and medium state-owned enterprises.

The central issue of Comrade Xiaoping's talks is to educate us, and prompt us to continue to advance along the course of building socialism with Chinese characteristics; quicken the pace of reform, opening up, and economic construction; and actually blaze a new trail that has not been treaded by anyone before. In the broad scope of the international communist movement's history, Marx and Engels revealed the inevitability of socialism replacing capitalism as an objective law that governs the development of human social history; Lenin and Mao Zedong solved the issue of socialist revolution and left many brilliant thoughts and theories on socialist construction. However, they did not solve and did not thoroughly solve [as published] the issue of how to construct socialism, particularly the issue of building socialism in a country that is economically and culturally backward. Comrade Xiaoping constantly advocates upholding and developing Marxism-Leninism-Mao Zedong Thought, grasping its essence, emancipating thought, and seeking truth from facts. He also creatively forwarded the historical proposition of building socialism with Chinese characteristics. According to his proposal, the party's basic line gradually took shape, and was accompanied and supported by a series of major principles and policies. This line's implementation and the corresponding principles and policies and their continuous enrichment and development in the course of implementation brought about a really new situation in our country's socialist construction, and enabled our socialist system to display its vigor and vitality. Rich experience has been accumulated in the great practice of economic construction, reform, and opening up. Comrade Xiaoping has made outstanding historic contributions in this aspect, and this will more obviously manifest itself over time. The primary issue in our study of the "Government Work Report" is to more profoundly understand the essence of Comrade Xiaoping's theory about building socialism with Chinese characteristics; raise our ideological awareness; and more firmly, accurately, and comprehensively implement the party's basic line in future practice.

Being firm, we should hold fast to the party's basic line without any vacillation over a long time. The initial stage of socialism in our country, beginning from the basic accomplishment of socialist transformation of the private ownership system over the means of production in the 1950's, will last at least 100 years or more before the basic accomplishment of socialist modernization by the middle of next century. According to Comrade Xiaoping's opinion, from now on, we shall strive to form more mature and stable socialist systems with distinct Chinese characteristics in all fields in the next 30 years or before the end of the second decade of the next century; then we

shall continue to struggle for another 30 years to realize socialist modernization. In the whole historical process of socialist modernization, we should always adhere to the party's basic line. Any opinion or action that disrupts or deviates from the basic line is wrong, and must be corrected and checked immediately.

Being accurate, we should dialectically approach things according to different situations and apply the position, viewpoint, and methodology of Marxism-Leninism-Mao Zedong Thought to analyze different things. Comrade Deng Xiaoping has set a good example of applying the basic principles of Marxism to deal with the practical issues in contemporary China and adhering to the principle of seeking truth from facts. This is the quintessence of Marxism. We must firmly keep to the Marxist position and the communist belief, but we can never adopt dogmatism. Dogmatism is absolutely incompatible with Marxism, and is antithetical to Marxism. Comrade Xiaoping has expressed the hope that we will keep lofty aspirations in mind and strive to raise our national economy to a higher stage every several years. This is very necessary and is also feasible. At the same time, he also reminds us that we cannot encourage unrealistic high growth rates and should still work in a down-to-earth manner, strive for solid results, and steadily and harmoniously make developments. We should accurately grasp this point.

Because Comrade Xiaoping's talks are comprehensive, we should understand and grasp all aspects of them. His words cannot be interpreted out of context, and no lopsided stress can be laid on one aspect with another aspect being neglected. Comrade Xiaoping is always opposed to one-sidedness. Because it is comprehensive, we should also systematically understand and grasp Comrade Xiaoping's constant thought, especially the spirit of his important theses on upholding the four cardinal principles, persistently carrying out reform and opening up, and building socialism with Chinese characteristics since the Third Plenary Session of the 11th CPC Central Committee. Comrade Xiaoping constantly advocates the need to fully, accurately, and comprehensively understand Marxism-Leninism-Mao Zedong Thought and to study Marxism with a Marxist attitude. Today, we should also hold such a scientific attitude to study and understand Comrade Xiaoping's constant thought and implement it in our action.

In his "Government Work Report," when talking about more firmly, accurately, and comprehensively carrying out the party's basic line, Comrade Li Peng pointed out the need to grasp six key points according to Comrade Xiaoping's constant thought and the spirit of his recent talks. By grasping these six key points, we can guard against both rightism and "leftism," and particularly guard against "leftism." We should conscientiously study them in connection with Comrade Xiaoping's talks and with the specific conditions in reality. Here, I will briefly talk about what I feel when studying these six key points.

—Hold fast to the central task of economic construction without vacillation. Socialism's fundamental task is to emancipate and develop the productive forces and all our work should serve this central task and be subordinate to it. Comrade Xiaoping pointed out that to grasp the opportunity and develop ourselves, the key lies in economic development. Economic construction is the fundamental issue. If the economy is developed, the national strength is increased, and the people can live in a better-off condition, then everything else can be handled more easily. The common people will make comparisons, especially lateral comparisons. Between 1981 and 1990, the growth rate of our country's GNP was 8.9 percent, which was much higher than the world's average of 2.8 percent and also higher than the U.S. rate of 3.0 percent, the Japanese rate of 4.3 percent, the French rate of 2.5 percent, and the British rate of 2.2 percent. However, South Korea's growth rate was 9.2 percent, 0.3 percent point higher than ours. Thailand and our country's Taiwan Province also developed rather fast, and their growth rates were close to ours. At present, some of our neighboring countries and regions are richer than we, and some have effected quicker economic growth than we did. If we cannot develop fast enough, problems may occur when the common people make comparisons. In recent years, a stern aspect did exist in the domestic and international situations, but we could stand the test. The fundamental reason lay in the fact that, with the impetus provided by reform and opening up, our economy made substantial development and the living standards of the people were also raised. Henceforth, for socialist China to continue to stand firm and grow more majestically in the East, we must concentrate our energy on running our domestic affairs well, and the key lies in better and more rapidly boosting our national economy. Being better, we should strive for higher efficiency and better quality and seek steady and well-coordinated development. Being faster, we should keep a sense of urgency and strive to take action and accomplish things more quickly. We should grasp the current opportunity and strive to raise our national economy to a new stage every several years. Only by paying attention to both the efficiency and the development speed and properly coordinating them can we ensure the healthy development of our economy. Only thus can we thoroughly prevent peaceful evolution and really consolidate and improve our country's socialist system.

—Reform and opening up are the inevitable road to emancipating and developing productive forces. Revolution emancipates productive forces, and so does reform; that is the truth evidenced by China's historical experiences over the past scores of years. Today, we shall further emancipate and develop China's productive forces precisely through reform and opening up under the socialist system. Reform and opening up over the past 13 years have brought tremendous changes to China's socioeconomic features. This has fully shown that reform and opening up are the

strongest impetus to China's economic development. To realize the second-step strategic goal, it is imperative for us to step up the pace in reform and opening up. The continuous economic growth and consolidation of the political situation of stability and unity over the past few years have provided better conditions for us to accelerate reform and opening up. To be bolder in reform and opening up, emancipate the mind, be bold at exploration and experimentation, and advance in exploration involves the courage to make a breakthrough and take some risks. Without the courage of taking risks, it would be difficult to open up a new situation, and accomplish something with originality. To have the courage to break through, it is necessary to earnestly summarize our own successful experiences on the one hand; on the other, it is necessary to be brave in, and good at, absorbing and referring to all civilized accomplishments created by human society, and all advanced technology and operational and managerial ways reflecting the law governing modern socialized production of all countries, including Western developed ones. In the course of blazing new trails to make progress, it is necessary to be truth-seeking, adhere to what is correct, and correct what is wrong, while completing and perfecting imperfect things. As long as we adopt such an attitude, we will be able to avoid major mistakes. The criteria for judging the success or failure of reform and opening up lie chiefly in whether or not they are conducive to developing the socialist society's productive forces, boosting a socialist country's comprehensive national strength, and improving people's living standards. If the accomplishments in these three aspects are genuinely viewed as the criteria in our judgment, our minds will be further emancipated.

—Adherence to the four cardinal principles is the basic guarantee for reform, opening up, and economic development. Comrade Xiaoping indicated that in the whole course of reform and opening up, it is imperative to always attach importance to adhering to the four cardinal principles. That is Comrade Deng Xiaoping's persistent thinking. The adherence to Marxism-Leninism means chiefly to link Marxist-Leninist basic tenets to China's specific practice in building socialism with Chinese characteristics. Only socialism can save and develop China. In his remarks, Deng Xiaoping further stressed that departing from adherence to socialism, reform and opening up, economic construction, and improving people's living standards, China would only end up at a dead end. This is evidenced by Chinese modern and contemporary history. To adhere to socialism, it is necessary to sustain our vigilance against the ideological trends of bourgeois liberalization, and have prompt notice of the symptom of a trend. By no means should we let such trends run amok; otherwise, the consequences could be extremely grave. The evolution in East Europe and the USSR's disintegration have testified to the truth that building socialism is very difficult, but its collapse easy. Regarding this point, we must

continue to heighten our vigilance and maintain our sobriety. It is imperative for us to safeguard the socialist system and the accomplishments in reform and opening up to promote economic development and progress by applying the forces of the people's democratic dictatorship under CPC leadership. This way, we are enabled to stand firm, continuously develop and strengthen ourselves, and become invincible.

—Sustaining social and political stability is the prerequisite for reform, opening up, and economic development. To accelerate economic growth, it is imperative to maintain social and political stability. It is the more so in developing the economy under the conditions of reform and opening up. A state prospers when it is well governed, and weakens in turmoil. Sustaining long-term social and political stability falls in line with the Chinese people's basic interests, while its basic purpose is for better reform, opening up, and economic development. To sustain social and political stability, all comrades in the party and people of the entire country are inevitably required to be of one heart and soul politically; unite as one under the Central Committee's unified leadership; and push reform, including economic and political restructuring as well as the restructuring in science and technology, education, and culture, and continuous economic growth and comprehensive social progress. Social and political stability provides the prerequisite for reform and development; in turn, further reform and development lay a solid foundation for prolonged political stability and long-term peace throughout the entire country and society. That is the dialectical relation between the two aspects.

—Adhering to grasping work in two hands while firmly grasping work in both hands. The adherence to the doctrine that everything has two aspects is our party's fine tradition, which we should apply to in observing and analyzing issues as well as guiding our work. The adherence to this doctrine in our work is precisely to grasp work in two hands, whereas work in both hands should be grasped firmly, and the practice of grasping work firmly in one hand while grasping work loosely in the other should be avoided. It is imperative to grasp reform and opening up on the one hand, and crack down on various criminal activities on the other, building material civilization on the one hand, and spiritual civilization on the other. In the course of reform and opening up, ugly and decadent things will inevitably surface inside and outside the party as well as society. Regarding them, our attitude is to firmly crack down on all sorts of lawbreaking activities and wipe out all ugly phenomena; by no means should we let them run amok. In wiping out ugly phenomena and corruption, the primacy is to strengthen clean government building. Cadres at all levels must be diligent in their posts and build clean government and firmly establish the concept of serving the people; this is a matter of primary importance that has a bearing on

China's future and fate. With a solution to the clean government issue, ugly social phenomena, even when some remainder of them is inevitable, will not be so terrible. When the atmosphere inside the party and government is improved, socialism's advantages will make themselves felt more fully.

—Promptly summarize experiences, establish the style of doing substantial work. How to conduct reform and opening up in socialist countries is a new topic for the international socialist movement. We have no ready experience in reform, opening up, and building socialism with Chinese characteristics, and can only advance in exploration. As we are exploring and blazing new trails, we should encourage bold experiments to improve our talents and abilities in practice and make new breakthroughs. At the same time, it is necessary to promptly summarize experiences, adhere to what is correct, and correct what is wrong, while firmly grasping the discovery and solution of new conditions and problems surfacing in practice. In exploring the socialist road with Chinese characteristics, it is imperative to establish the style of doing substantial work, and do business in a down-to-earth manner. Socialist modernization becomes a reality only through hard work; it is imperative to do away with formalism and overcome bureaucratism. Formalism and bureaucratism are roadblocks to reform and opening up. As long as we explore in a down-to-earth way and pay attention to summarizing experiences in bold experiments, we will be able to avoid mistakes, or will commit fewer mistakes and avoid major mistakes, while realizing our goals for reform and opening up with comparative smoothness.

#### Party School Seminar Backs Deng's Reform Drive

HK1604033792 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Apr 92 p 9

[By Kent Chen]

[Text] Prominent intellectuals in Beijing are rallying behind senior leader Mr Deng Xiaoping's new initiative for further reforms and more open policies.

In a seminar organised by the Central Party School earlier this week, 60 influential intellectuals, including Beijing University economics lecturer, Professor Li Yin-ing, hailed speeches made by Mr Deng during his recent southern tour as a timely boost to bolder reforms and further liberalisation.

A speech by one of the intellectuals, Mr Gong Yuzhi, was published by the daily WEN WEI PO in Shanghai yesterday.

Mr Gong, who is also former deputy head of the Propaganda Department of the Chinese Communist Party, blamed the fear of capitalism for the slow pace of reform in the past several years.

"The reason why we have not taken bigger steps in reforms in the past was because we were afraid of being labelled capitalist," Mr Gong was quoted as saying.

"But now Deng Xiaoping has helped us to unite and reach a consensus.... so that we can be bolder in our reform of the economic and production structure," he said.

Mr Gong added that further debates over capitalism and socialism would impede reform.

When judging whether different systems and methods were socialist or capitalist, the sole criteria should be their contribution to the development of productivity, he said.

"Systems and methods which are not conducive to the development of productivity should not be upheld just because they have been identified as socialist in nature.

"On the other hand, systems and methods which are the result of human civilisation, which have been proved to be conducive to the development of productivity, should not be rejected simply because they evolved in capitalist society," Mr Gong said.

In a separate development, the Paris-based Federation for a Democratic China, a coalition of Chinese dissidents in exile after the 1989 crackdown, issued a statement denouncing Mr Deng's speech as "old wine in a new bottle".

Spokesman Mr Lu Yang said in Paris yesterday the latest reform initiative reflected Mr Deng's deeply rooted pragmatism which allows liberalisation in economic matters while keeping a tight grip on political power.

"The fact that an old man, ostensibly an ordinary party member, could wield so much influence in China shows that the country is still ruled by man, not by law.

"It is not a healthy phenomenon that such important policies should come from a man who is over 80-years-old," Mr Lu said.

Although Mr Deng's remarks cast a light of hope for the people and reform-minded officials, the federation insisted that genuine reforms in both economic and political systems be introduced.

#### **Shenzhen as Focus of Reform, Opening Viewed**

HK1604105092 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1302 GMT 15 Apr 92

["Special feature" by reporter Wang Min (3769 2549)]

[Text] Shenzhen, 15 Apr (ZHONGGUO TONGXUN SHE)—Ten years ago, Shenzhen enjoyed a high reputation at home and abroad because it was made China's first special economic zone [SEZ]. Since then, with its amazing economic growth rate, Shenzhen has become more and more well-known at home and abroad. It has

almost become a city where young people on the mainland most aspire to work. Almost every day a continuous stream of qualified people come to the city to seek jobs. Today, 10 years later, reform is deepening further. In particular, Deng Xiaoping's southern-tour talks on reform have once again set off a new upsurge of reform in China. As the forward position of reform and opening up to the outside world, Shenzhen has once again become the focus and hot point of the current reforms with its dazzling brightness.

#### **Opinion Shaping on Reform Causes a Sensation for a Short While**

From 20 February to 6 March 1992, SHENZHEN TEQU BAO [SHENZHEN SPECIAL ECONOMIC ZONE DAILY] issued eight "Commentaries for the Year of the Monkey," including "Tightly Grasp the Central Link," in accordance with the gist of Deng Xiaoping's talks while visiting Shenzhen. The commentaries once again put economic construction—the central link—in the primary place. Once the "eight commentaries" were published, they immediately became a bestseller. RENMIN RIBAO reprinted the text of the first of the eight commentaries on the front page [actually, in the upper right corner of page 4, RENMIN RIBAO 25 February]. The domestic readers vied with one another in buying the SHENZHEN TEQU BAO issues carrying the commentaries. Some people even jokingly said: "Shenzhen's eight commentaries have blitzed Shanghai." Many major domestic newspapers either reprinted or quoted them. Meanwhile, major foreign news agencies and newspapers successively carried or transmitted the eight important commentaries. The range of their influence and publicity was indeed rarely seen in China in recent years. Following the publication of the "Commentaries for the Year of the Monkey," a Shenzhen newspaper published in succession "eight commentaries on daring to break through" and forwarded the ideas of daring to break through forbidden, blind, and difficult zones and making greater efforts to guard against leftism while preventing rightist deviation. Similarly, these commentaries also attracted the attention of people at home and abroad. At the just concluded National People's Congress and the Chinese People Political Consultative Conference sessions, Shenzhen once again became a discussion topic among delegates and members. Many delegates vehemently discussed their impressions of Shenzhen and expressed their readiness to speed up the reform pace. During the two sessions, SHENZHEN TEQU BAO frontpaged a long report about Deng Xiaoping's southern tour, entitled "An East Wind Brings Spring All Around." The report immediately became a hot point of various major news media units. Immediately following its National Hook-Up Program, the Central Television Station broadcast the full text of the 10,000-plus-character report with photos and videotaped scenes showing Deng Xiaoping's visit to the southern areas, including Shenzhen, and not long after that, XINHUA NEWS AGENCY transmitted the full text of the report. Many

major central [zhong yang 0022 3152] newspapers, such as WEN HUI BAO and NANFANG RIBAO, reprinted the report's full text. A new book, entitled *1992: Deng Xiaoping and Shenzhen*, which records and narrates Deng Xiaoping's southern tour and was published by the Shenzhen Daily Publishing House, caused a sensation at the ongoing Tianjin Book and Video Fair. It has been reported that the moment the notice of subscription for the book was put up, representatives of bookstores throughout the country rushed to the publishing house. Consequently, several hundred orders were snapped up. There were over 100,000 subscriptions for the book.

#### **Great Upsurge of Visiting Shenzhen Rages on the Mainland**

With the spring wind of reform brought about by Deng Xiaoping's southern tour, there has been a great upsurge of visiting Shenzhen for sightseeing or fact-finding missions emerging in various localities all over the country. Leaders from various ministries and central commissions and from provinces and municipalities and ordinary people from village towns have come to Shenzhen with a strong desire to see what actually happens there.

According to statistics from the Shenzhen City Reception Office, in the first quarter of this year, the city received more than 40,000 domestic visitors, and in March, arrivals averaged 530 a day, of whom intermediate- and high-ranking officials obviously increased in number, including 115 provincial-level local leaders and 56 military leaders at the army level and above. Fifteen groups of domestic visitors arrive in Shenzhen every day and the figure rises to 50 groups in the peak season. With the exception of two sets of villas spared for emergency use, all rooms of the Shenzhen Guesthouse, which the city government uses to accommodate visitors, are full every day. The statistics only included the visitors formally received by the city government. The number of people visiting the city on fact-finding missions or for private purposes for trade, consumption, and family relations is perhaps several times greater than that received by the city government.

At the same time, many activities are busily carried out in Shenzhen, such as commodities fairs and familiarization and friendship promotion meetings. Almost every day there are provincial-level commodities fairs organized by local provincial and municipal governments and friendship promotion activities organized by domestic factories from all corners of the country.

After Deng Xiaoping visited Shenzhen, the number of people from all parts of the country visiting Shenzhen for sightseeing and on fact-finding, professional, and economic missions has risen. In the last three months, the Shenzhen City Government's Reception Office alone has received 250 such fact-finding groups. Thus, one can imagine the frequency of people-to-people exchanges. The upsurge of visiting Shenzhen currently sweeping across the mainland has something to do with Deng Xiaoping's visit to Shenzhen, during which he vigorously

urged deepening reform, and also has a direct connection with Deng Xiaoping's affirmation of the achievements of Shenzhen's reform over the last decade. It is estimated that this upsurge will last for some time and clearly will gain greater momentum.

#### **Shenzhen's Stock Index Keeps Climbing**

As one of the economic indicators, Shenzhen's stock market has performed well during the current reform upsurge. After several months of correction, the stock index has begun to shoot up at an amazing rate, hitting new highs one after another.

The current Shenzhen stock market's distinctive feature is that, in Shenzhen, both people coming from other parts of the country and local people are all bullish about the stock market's prospects. With considerable amounts of money in hand, outside people are rushing to the Shenzhen stock market, but with the help of topographical advantages, local people get involved in the market. In the last few days, the stock market has been brisk, demonstrating a promising, lively, and magnificent sight. This reporter asked a person coming from somewhere outside Shenzhen with 700,000 yuan in cash in hand if he was not afraid of losing the money like a clay ox entering the sea. In reply, he said generously: What is there to be afraid of? China needs reform. Shenzhen's reform has proved to be a success. Moreover, Shenzhen's stock market has developed quite soundly and the performance of listed companies is good and their market return rates high. When asked about his views on Deng Xiaoping's southern tour, he said: Deng Xiaoping has brought hope to China's economy. What has been achieved today in Shenzhen has proved that the policy he adopted in those years to set up the SEZ's is correct. The fact that during his southern tour this year, he vigorously urged deepening reform shows that he is far-sighted.

#### **Correction to Item on Socialism, Capitalism**

WA1604153592

The following correction pertains to the item headlined "Relationship Between Socialism, Capitalism Viewed," published in the Political & Social section of the 15 April China DAILY REPORT, beginning on page 27:

Page 27, lower left-hand column of page, make subslug of item read: [Article by Hu Sheng (5170 4939): "Relationship Between Socialism and.... (correcting name of author of article)]

#### **CPPCC's Li Xiannian Mourns Wang Renzhong**

OW1504193192 Beijing XINHUA Domestic Service  
in Chinese 0543 GMT 15 Apr 92

[By Li Xiannian: "Deep Grief in Mourning Comrade Wang Renzhong"—XINHUA headline]

[Text] Beijing, 15 Apr (XINHUA)—We received bad news before the cold spring was over: Comrade Wang

Renzhong had a sudden heart attack and departed from the world forever. My shock and grief were really beyond words. He had been in charge of the day-to-day running of the Chinese People's Political Consultative Conference [CPPCC] since he was appointed vice chairman of the CPPCC National Committee. As I was hospitalized for medical treatment for a period of time recently, I entrusted him with responsibility for the preparatory work for the Fifth Session of the Seventh CPPCC National Committee, after I had asked the party's Central Committee for instructions prior to the meeting. While I was in the hospital, we discussed how to hold a successful meeting just a few days before he was taken ill. Who could have known that he would depart from us forever, all of a sudden, just two days before the opening of the session.

Comrade Renzhong was a long-tested proletarian revolutionary, an outstanding communist fighter, and a great talent considered to be the pillar of the party and the state. He dedicated himself to the great cause of communism with absolute devotion, an outstanding gift, noble sentiment, and the true qualities of a common laborer for the past 60 years, and gave off light and warmth at different posts until the last moment of his life. Wherever he went, like a magnet, he was able to rally the vast numbers of cadres and the masses to struggle for vigorous implementation of the party's line, guiding principles, and policies, and for the founding and building of a socialist New China. His unfortunate passing away is a great loss to the party and the people.

It was at the turn of spring and summer of 1949 that I first made the acquaintance of Renzhong. At that time, our army was moving southward for a battle. Leading a group of cadres who came from Shanxi, Hebei, Shandong, and Henan provinces, he followed the army to work in Zhongnan [central and southern China]. We met at Huayuan [garden] town in Xiaogan County, Hubei Province. From our several contacts and conversations, I had a vivid impression of him. He was magnanimous, sincere, deep-thinking, inquisitive, strict with himself, full of vigor, well-experienced in local work, and proficient with organization and leadership. He was a person of extraordinary ability. Later on, working with him at the Hubei provincial party committee and the Wuhan city party committee for more than five years enabled me to understand him better. As he handled more work through practice, he achieved all-around development with respect to ideology, politics, and leadership experience, and became increasingly mature day by day. After I was transferred to work in Beijing in 1954, he was successively appointed first secretary of the Wuhan City Party Committee, first secretary of the Hubei provincial party committee, and second secretary and first secretary of the Zhongnan Bureau. Having done a very good job and scored remarkable achievements in his official career, he was held in high esteem by the party's Central Committee and Comrade Mao Zedong, and won the support of the broad masses of the people. We still frequently kept in touch with each other during this

period. After he was elected vice chairman of the Seventh CPPCC National Committee in March 1988, he worked with me for another full four years. We had always stood together through thick and thin, shared comforts and hardships, trusted and supported each other, and maintained profound revolutionary bonds of friendship in the course of more than four decades' socialist revolution and construction. He was younger than me by eight years. Unfortunately, he left us in such a hurry at a time when the party and the people need him to continue to shoulder responsibilities and make greater contributions to building socialism with Chinese characteristics. It is a loss which we particularly grieve and feel sorry about.

Comrade Renzhong had the courage, resourcefulness, and resolution of a proletarian revolutionary; was good at handling important matters; and showed no fear in the face of great difficulties. He was constantly thinking about, discussing, and handling important matters and always took the interests of the whole into account, made a clear distinction between right and wrong, maintained independent views, bravely shouldered the heavy burden of revolution, consistently upheld and vigorously carried out the party's correct strategies and policies, and never hesitated over or balked at important matters and great difficulties. After Hubei Province was liberated in 1949, the provincial party committee faced the arduous tasks of supporting the army's movement southward and its battles, restoring the economy, and striving to improve financial and economic conditions. When Comrade Renzhong was assigned to take charge of financial and economic work through the division of work at that time, he shouldered the heavy burden unhesitatingly. Under the unified leadership of the provincial party committee and the provincial government, and with effective coordination extended by various departments, he adopted a series of measures, including cracking down on unlawful capitalists, unifying financial revenues and expenses, and centralizing allocation and transfer of goods and materials as well as management of cash and, thereby, very quickly brought about a change in the financial and economic situation, which was then in chaos. The water level of the Chang Jiang rose sharply in the summer of 1954. The water level of the section of Chang Jiang at Wuhan reached as high as 29.73 meters [m], more than 3 m higher than ground level, and higher than the 2.79 m water level of 1931 when Hankou was flooded. The situation was very critical. Leading comrades of the central authorities, including Mao Zedong and Zhou Enlai, were extremely worried. Comrade Renzhong, who was head of the flood-control headquarters at Wuhan, led the vast numbers of servicemen and people working day and night on the embankment along Chang Jiang. In July, a dispute over the issue of whether or not the initiative should be taken to divert flood water in the Hong Hu and Mianyang areas reached a deadlock at headquarters. Comrade Renzhong ascertained the characteristic rise and fall of the water level of the Chang Jiang during flood periods through survey and study. He knew for sure July and August are precisely the season in

which the water level of the Chang Jiang will rise and rise, and then gradually peak. Therefore, he resolutely made a suggestion to the central authorities to let some farmland be flooded in order to ensure the safety of Wuhan. After approval from the central authorities, his suggestion was carried out. After working hard for 100 days, the party, government, army, and people led by Comrade Renzhong finally achieved great success in their struggle against the flood. Agriculture is the foundation for the national economy. Renzhong attached great importance to agricultural development during the period of his tenure as first secretary of the Hubei provincial party committee. Hubei Province has always been one of the major grain and cotton production bases in our country and has provided effective support for national construction since the founding of New China. Like some other comrades, Comrade Renzhong got carried away when the "Great Leap Forward" started. He made Hubei become one of the provinces that took the lead to "leap forward" and this caused setbacks in his work. However, after having gone deep into the realities of life, he very soon discovered problems, calmed down, conscientiously summed up experiences and lessons, and made all-out efforts to correct mistakes, thus reversing the serious, difficult situation relatively quickly. To sum up the lessons learned from mistakes, he also published his notes taken while reading "Zi Zhi Tong Jian [the title of a 294-volume chronicle by Sima Guang covering a period of 1,362 years down to the Period of the Five Dynasties]" in HUBEI TONGXUN [Hubei Newsletter] to help cadres draw on the experiences of history and accept lessons learned from the realities of life; advocate opposition to subjectivism and commandism [ming ling zhu yi 0730 0109 0031 5030]; develop a democratic style of work inside the party; and persist in seeking truth from facts, instead of echoing what others say or practicing fraud. Calamity befell Renzhong during the period of the "Great Cultural Revolution." He was cruelly persecuted by Lin Biao and the "gang of four," tortured over and over again, and imprisoned for as long as seven years. He remained faithful and unyielding, calmly faced his calamity, and firmly believed that truth will definitely triumph over wrong, and that justice will definitely prevail over evil, thereby demonstrating the indomitable will, noble character, and sterling integrity of a communist fighter. After the Third Plenary Session of the 11th CPC Central Committee, Comrade Renzhong sincerely supported the party's basic line stressing "one central task [economic development] and two basic points [adherence to the four cardinal principles and implementation of reform and the open policy]"; vigorously promoted implementation of reform and the open policy; took a clear-cut stand against bourgeois liberalization; and made important contributions to setting to rights things which had been thrown into disorder, liberating and developing the productive forces, strengthening the party's ideological building, making socialist culture flourish, and consolidating and promoting development of the patriotic united front.

Comrade Renzhong was diligent in study, never tired of learning, and, in particular, paid close attention to intensive study of Marxism-Leninism-Mao Zedong Thought. No matter how busy he was with his work, day after day and year after year, he would do some reading and take some notes in the dead of night. He participated in the party rectification movement at Yanan. This enhanced his consciousness of integrating the theories of Marxism-Leninism with the practice of revolution in China. At that time, Chairman Mao stressed: It is necessary for us to be thoroughly familiar with Marxist theory and to apply it in practice. The entire purpose of thoroughly familiarizing ourselves with Marxist theory is to apply it in practice. We require that cadres' education must center on studying actual problems encountered in China's revolution, follow the policy of looking upon basic principles of Marxism-Leninism for guidance, and abolish the method of studying Marxism-Leninism alone and quietly. Comrade Renzhong engraved these remarks in his mind and earnestly practiced what Chairman Mao advocated. He frequently read the important works of Marx, Lenin, and Comrade Mao Zedong over and over throughout the years and tried to use Marxist stands, views, and methods to analyze the new situations and solve the new problems that emerged one after another from objective realities. He was thirsty for knowledge. He not only painstakingly studied Marxism but also paid attention to learning and accumulating knowledge in history, economics, politics, science and technology, culture, and education in order to meet the needs of his work. During his work with the Hubei provincial party committee, he required cadres to integrate study with work and writing in a bid to raise the level of their theory and knowledge and carry out the principle of integrating theory with practice by concrete action. His requirement played an important role in training the contingent of cadres and improving their quality. Since the Third Plenary Session of the 11th CPC Central Committee, the party's ideological line of seeking truth from facts was restored after it had been advocated by Comrade Deng Xiaoping. Comrade Renzhong unreservedly endorsed restoration of this ideological line. He believed that in persisting in seeking truth from facts, it is necessary to overcome three difficult points or hurdles: first, to find out facts, understanding objective circumstances not from one angle but in an all-around way; second, to be practical, using one's brains and applying materialist dialectics to explore intrinsic relations and laws governing objective facts; and third, to be fearless of attacks, daring to uphold truth. The book *Marxist Stand, Views, and Methods*, published in 1990 and containing some speeches he made and articles he wrote during the new era of socialist construction, epitomizes his efforts to restore and uphold the party's ideological line of seeking truth from facts in various aspects. By conscientiously applying Marxism, his book also provides standard analyses of and solutions to problems under new historical conditions. To counter the tendency to negate communism and Marxism-Leninism by a small handful of people, he wrote in the preface to the book: "Once we

really master dialectical materialism and historical materialism, we will never believe in nonsense like the infallibility and superiority of capitalism over socialism. Only by using the Marxist theory as a telescope can we correctly recognize and solve transient difficulties in China's socialist modernization drive and foresee the bright future of the cause of socialism and communism, thereby strengthening our confidence and heightening our spirits." What a remarkable statement this is! Through his lifelong diligent study and work, Comrade Renzhong proved himself deserving of the title of staunch Marxist.

Selfless, open, and aboveboard, Comrade Renzhong dared to state his views frankly, was adept at uniting cadres, and concerned himself with the masses' hardships; he was a model in upholding the party's democratic centralism and forging close ties with the masses. Constantly bearing in mind the interests of the party and the people, he gave no thought to personal gains or losses. No matter what post he was assigned by the party organization, he always took up the assignment gladly and did it well with all his heart. He had the courage to undertake responsibility and criticize himself for errors in work, never claiming credit for himself while blaming others and never whitewashing errors. The "Great Leap Forward" and "five prevailing winds" in Hubei Province were the two most regrettable events in his life. Although he conscientiously corrected the mistakes, he was always bitterly ashamed and remorseful and often openly criticized himself for failing to live up to the expectations of the party and the people of Hubei. He never engaged in factionalism and always insisted on appointing cadres on their merits, treating them on equal footing and without exception. This was why many comrades very much liked to work with him, and why the departments, cadres, and common people he worked with could be thoroughly motivated. An easygoing person, he periodically went down to the grass roots to befriend and hold heart-to-heart talks with people from all walks of life—workers, peasants, and intellectuals. He believed that this should be the class nature required of a leading party cadre, as well as one of the important measures for grasping the actual situation and exercising correct leadership. I, too, liked to talk with him because from him I could obtain relatively realistic views of all sectors—workers, peasants, intellectuals, and democratic and patriotic persons. For a long time, he was the number one person in a province; it was not easy to unify members of the "leading body" and be a good "supervisor." However, upholding the system of division of labor among leading cadres working under collective leadership of the provincial party committee, he performed outstandingly in handling the relationship between democracy and centralism and was able to unite and pool the wisdom of all members of the "leading body." He advocated "letting everyone have a say" and opposed the practice of "one person alone having the say," consulting with everyone in order to concentrate the wisdom of all. The more divergent the opinions, the

more open-minded he was in listening to people, encouraging them to speak out and argue for making correct policy decisions. He never fussed about undue criticisms or accusations that people occasionally made against him, much less tried to "square accounts after the autumn harvest" or "give people tight shoes to wear." Herein lies one of the prominent features of Comrade Renzhong; this specifically reflects his brilliant quality of selflessness, fearlessness, and extreme modesty. Throughout his life, Comrade Renzhong worked hard and led a plain life. He performed duties with honesty and absolute integrity. He never fawned on those above or bullied those below. He never sacrificed principle for the sake of expediency. "He never appeased people with deceitful deeds and obtained fame through dubious means." He was a noble and honest man without vulgar taste.

Let us rally more closely around the party Central Committee with Comrade Jiang Zemin at the core; persist in the party's basic line of "one center, two basic points" and series of principles and policies; and work hard with one heart and one mind in striving to build socialism with Chinese characteristics. This will be the best way to remember Comrade Renzhong. Eternal glory to Comrade Wang Renzhong's revolutionary spirit!

#### **Song Ping, Yunnan Secretary Inspect Province**

*HK1504095792 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 13 Apr 92*

[Text] While inspecting work in Yunnan, Song Ping, member of the CPC Central Committee Political Bureau Standing Committee, pointed out: We must unswervingly adhere to the party's basic line; firmly focus on economic construction, which is the center; further emancipate minds; grasp opportunities; and speed up the pace of economic construction, reform, and opening up of the border and ethnic minority areas.

From 4 to 12 April, accompanied by Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, Song Ping went deep into various border and ethnic minority areas of Yunnan, where he had extensive contacts and held candid talks with cadres and masses of various nationalities; inquired about the situation of studying and implementing the series of important speeches recently made by Comrade Deng Xiaoping and the spirit of a CPC Central Committee Political Bureau plenary meeting; and joined cadres and masses in discussing ways and means of speeding up the pace of reform and opening up, vigorously promoting economic construction, and bringing about comprehensive social progress in light of the local conditions.

Song Ping fully affirmed an excellent situation marked by economic development, nationality solidarity, and border stability, which has emerged in Yunnan since the Third Plenary Session of the 11th CPC Central Committee. He said: Our country's socialist modernization building is presently at a crucial juncture. We must waste no time in boldly trying out measures conducive to

developing the socialist social productive forces, strengthening a socialist country's comprehensive national strength, and raising the people's living standard. Those that can reach such an understanding earlier and firmly further implementation work in this regard will certainly gain the initiative and witness faster development.

When seeing a bustling scene of people and vehicles at some border ports, as well as a dynamic economic development in the border areas, resulting from sustained opening up to the outside world, Song Ping was elated and said: The border and ethnic minority areas should not only strengthen economic ties with the hinterland but also bring into full play their local superiorities, actively develop border trade, and boldly open up more overseas markets. Yunnan promises bright prospects in developing trade and economic cooperation with Southeast Asia. The border trade development constitutes an important component of China's opening up to the outside world and an important way of stimulating and promoting an overall economic growth in the border and ethnic minority areas. Therefore, we must further emancipate minds, explore more methods, and further quicken our pace in this connection.

Song Ping also held separate talks with a number of students of the Yunnan Provincial Party School and party-member cadres from some enterprises and undertakings on how to step up the party building work. Song Ping noted: The organizational line should serve the political line. We must vigorously step up party building work as well as the building of various leading organs and a contingent of cadres with a view to providing an organizational guarantee for comprehensively implementing and carrying out the party's basic line. In accordance with a principle of making cadres more revolutionary, younger in average age, more knowledgeable, and more professionally competent and a principle of stressing both moral integrity and talent, we must select and promote to the leading organs at all levels outstanding young cadres who have resolutely implemented the party's basic line and scored noteworthy achievements in the socialist modernization building, reform, and opening up. As a region inhabited by people of various nationalities, Yunnan should set much store by training, selecting, and promoting cadres of ethnic minorities. Leading cadres at all levels must earnestly improve work style; go to the grass-roots level and among the masses; carry out in-depth investigation and study; sum up and popularize new experiences in the course of reform, opening up, and modernization building; and firmly step up implementation work.

While meeting with scientific and technological personnel of the Yunnan Tropical Crops Research Institute, the Yunnan Pharmaceuticals Research Institute, and the Tropical Crops Research Institute under the Chinese Academy of Sciences, Song Ping praised them for having struck roots in the border areas, lived a plain life, worked

hard, and made invaluable contributions to the construction cause as well as the scientific research cause of the border areas.

Song Ping also joined comrades from a local tropical botanical garden in planting trees.

#### Article Views Mao's Works on Literature, Art

HK1204042792 Beijing RENMIN RIBAO in Chinese  
26 Mar 92 p 5

[Article by *Complete Works on Mao Zedong's Thinking on Literature and Art* Compiling Committee: "Uphold and Carry Forward Mao Zedong's Thinking on Literature and Art in New Course of Practice"—preface to *Complete Works on Mao Zedong's Thinking on Literature and Art*, published by Jilin People's Publishing House]

[Text] On the occasion of marking the 50th anniversary of the publication of "Talks at the Yanan Forum on Literature and Art," we dedicate the *Complete Works on Mao Zedong's Thinking on Literature and Art* to our readers.

Mao Zedong's thinking on literature and art is an important component of Mao Zedong Thought, the scientific system by which Comrade Mao Zedong observed and demonstrated issues on literature and art by applying the Marxist world outlook and methodology; the offspring of the linkage of the basic tenets of Marxism-Leninism-Mao Zedong Thought to the specific practice in China's work of revolutionary literature and art; the inheritance, enrichment, and development of Marxist thinking on literature and art under new historical conditions; and a magnificent milestone in the history of the development of Marxist thinking on literature and art.

Comrade Mao Zedong was a great Marxist, and the great leader of the CPC and the Chinese people. As Mao Zedong's thinking on literature and art is named after Comrade Mao Zedong, it certainly shows that he was the chief founder of this scientific theoretical system. Mao Zedong's thinking on literature and art primarily finds expression in the theoretical principles expounded in Mao Zedong's series of works and talks on literature and art, and derived from which, the principles and policies the party and state have formulated. "Talks at the Yanan Forum on Literature and Art" was representative of Comrade Mao Zedong's works. Mao Zedong's discussions on literature and art were not confined to literature and art as they stand, but expounded on the place and role of our literature and art in the entire revolutionary front from a strategic position and the angle of the relation between literary and artistic work and the entire revolutionary work. In his discussions, the specific law governing the development of literature and art in the entire ideology and even the law governing the social development of the human race were under study and observation. Thus, he set a brilliant example for us to understand and reveal the law governing literature and art in light of Marxist basic tenets. The core of Mao

Zedong thinking on literature and art is the relation between literature and art and the people, namely, the issue of serving the masses and how to serve them. Comrade Mao Zedong scientifically demonstrated the oneness of literature and art serving the masses and upholding the principle of party spirit, and made explicit explanations, based on the principle of historical materialism, that for the people means for the workers, peasants and soldiers in the first place, and on the basic nature and orientation of revolutionary literature and art, while requiring our literature and art to serve the majority of the people, serve the masses, reflect and represent the basic interests of the people, and meet the mass spiritual needs in all aspects. For the people means to serve history's creators and push historical progress. To serve the people, literature and art must primarily depict and express the people and their thinking, feelings, aspirations, demands, and ideals from the position of the advanced class. To be their faithful spokesmen, literary and artistic workers must become one with the masses' thinking and feelings, and take the road of establishing ties with the masses. Proceeding from China's actual conditions, Comrade Mao Zedong explicitly stated that our literature and art should be loved by the broad masses and how that could be achieved, and how literature and art could be loved, accepted, and utilized by the masses. In a nutshell, on the relationship between literature, art, and the masses, Comrade Mao Zedong's discussions were systematic and explicit, with many new theories generalized and discussed, which enriched and developed the Marxist treasure house of theories on literature and art. Based on Marxist basic tenets, Comrade Mao Zedong developed Marxist thinking on literature and art with the relationship between literature, art, and the people as the core in a series of issues on literature, art, and life; literature, art, and the times; world outlook and creation; content and form, popularization and elevation; inheritance, reference and creation; eulogy and exposition; and the social functions and effects of literature and art. Since the PRC's founding, Comrade Mao Zedong had set forth other fresh theories and principles, including "letting a hundred flowers blossom, letting a hundred schools of thought contend," "making the past serve the present," and "making things foreign serve China," while enabling Mao Zedong's thinking on literature and art to be more systematic and complete; its basic theoretical viewpoints have become the guiding ideas of our undertakings and work in literature and art with a nature of the truth and scientific value.

As a scientific system of literary and artistic theories, Mao Zedong's thinking on literature and art does not equate the collection of his lifetime works and speeches on literature and art. As in other issues, not every single statement by Comrade Mao Zedong in the arena of literature and art can possibly be the truth. In correlation with his wrong assessment of the general situation of class struggles after the establishment of the socialist basic system in China, he made obvious mistakes regarding the work of literature and art in his late years.

Those mistakes arose from deviating from the actual conditions of the development in literature and art, while running counter to his own correct discussions on issues of literature and art. This being the case, they should not be viewed as the components of Mao Zedong's thinking on literature and art. Regarding Comrade Mao Zedong's individual improper wordings and expositions, there is no need to cover them up; they will be continuously tested, amended, supplemented and developed in practical development. The truth must be upheld, and mistakes must be corrected. Facts have evidenced that although Comrade Mao Zedong is no more, Mao Zedong's thinking on literature and art continues to develop.

Mao Zedong's thinking on literature and art is the crystallization of our party's collective wisdom. In the course of its founding and development, proletarian revolutionaries of the older generation have made their contributions, too. Special stress should be laid on the fact that proletarian revolutionaries of the older generation have played an irreplaceable role in the course of propagating, expounding, and implementing Mao Zedong's thinking on literature and art; furthermore, they have set us an example in earnestly practicing it. This being the case, the study and research in Mao Zedong's thinking on literature and art should include the discussions and practical results on issues of literature and art of proletarian revolutionaries of the older generation.

Literary and artistic practice over the past 50 years have fully testified to the truth that the basic truth in Mao Zedong's thinking on literature and art is correct, and is the scientific theory that has stood the test of time and practice. Under the guidance of Mao Zedong's thinking on literature and art, our literature and art have better reflected the times and their major struggles, and successfully molded a series of new images stamped with the characteristics of the times. All literary categories, including the novel, poetry, reportage, and essays, as well as artistic categories, including drama, music, dance, fine arts, movies, teleplays and all folk art forms, including ballad singing, story telling, comic dialogues, clapper talks, and cross talks, enjoyed unprecedented prosperity and development, with a rather high level whether in ideological content or artistic quality. Literature and art satisfactorily gave play to their educational, cognitive, aesthetic, and entertaining functions among the people, especially teenagers, with the surfacing of a large number of fine writers and artists. Mass literary and artistic creation and activities vigorously developed, while cultural and artistic heritages are being satisfactorily inherited, sorted out and brought forward. Great accomplishments were also scored in theoretical studies in literature and art, with the surfacing of a large number of works with remarkable craftsmanship and originality that expounded Marxist and Mao Zedong's thinking on literature and art, while playing their due role in pushing the prosperity of literary and artistic creation, and bolstering the guiding position of Marxist thinking on

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literature and art. Since the late 1950's, theoretical studies in literature and art and literary and artistic creation had run counter to the peculiar law governing art and stressed and even exaggerated the political function of literature and art, while neglecting their aesthetic functions because of the effects of a guideline characterized by "leftism," taking class struggle as the key. Consequently, articles on literary and artistic theories as well as literary works which tend to formularize and generalize in an oversimplified way had somewhat developed. Then came the Great Cultural Revolution, and literary and artistic undertakings suffered disastrous losses.

Since the Third Plenary Session of the 11th CPC Central Committee, our party has brought order out of chaos, and restored and developed the materialist ideological line; as a result, literary and artistic undertakings are instilled with vigorous vitality, and Mao Zedong's thinking on literature and art has been inherited and enriched with development during the new historical stage. "Deng Xiaoping on Literature and Art" is the focal expression of inheriting and developing Mao Zedong's thinking on literature and art during the new historical stage, and an important component of the theory of building socialism with Chinese characteristics. In particular, in Comrade Deng Xiaoping's "Speech Greeting the Fourth Congress of Chinese Writers and Artists," his theses on the people being the mother of writers and artists; that the people need art, and art needs the people even more; and on the nature and tasks of literature and art and their place and role in the course of modernization, as well as his discussion on realizing the four modernizations with one heart and soul are the overwhelming central task for all people in a considerably long period from now on; whether it be conducive or harmful to the four modernizations should become the fundamental criterion for weighing for work. Later, his scientific theses included that literature and art are not subordinate to politics, nor can they be separated from the latter; that social effects [she hui xiao yi 4357 2585 2400 4135] should be the supreme criterion for spiritual production; and that the ideological and cultural front should adhere to opposing two erroneous tendencies have all added new content and instilled new vitality to Mao Zedong's thinking on literature and art and provided theoretical grounds for readjusting and developing the party's principles and policies for literature and art during the new historical stage. For example, replacing the slogan, literature and art serve politics, with literature and art serve the people and socialism, while further completing, perfecting, and expounding on the principle "let a hundred flowers blossom, let a hundred schools of thought contend." It is because of this that Mao Zedong's thinking on literature and art, especially "Deng Xiaoping on Literature and Art," as the focal expression of inheriting and developing Mao Zedong's thinking on literature and art under new historical conditions, plays a powerful guiding role in the development of socialist literature and art during China's new historical stage. Guided by Mao Zedong's thinking on literature and art, and the correct principle

for literature and art, they have developed with the vigor of unprecedented momentum during the new historical stage, with creation prospering, new works surfacing one after another, active theoretical exploration, and a broad vision. At the same time, in the course of overcoming and correcting "leftist" ideological effects, the ideological trends of bourgeois liberalization in literature and art rose and spread, resulting from the effects of Western erroneous ideological trends, whereas Marxist and Mao Zedong's thinking on literature and art were negated and played down, and the two-hundred principle distorted to be one of liberalization; hence, great ideological confusion. Mao Zedong's thinking on literature and art has stood a severe test.

Since the Fourth Session of the 13th Central Committee, the principle of grasping rectification on the one hand and prosperity on the other has been implemented in the arena of literature and art, which was thoroughly overhauled with the ideological trends of bourgeois liberalization repudiated among other erroneous ideological trends; the arena's feature has undergone pleasing changes as a result of utmost efforts exerted to cause literary and artistic creation to prosper. Marxist-Leninist-Mao Zedong thinking on literature has been spread on a still wider scale. In his talk marking the 70th anniversary of the CPC's founding, Comrade Jiang Zemin expounded the goal and the way of achieving socialist economy, politics, and culture with Chinese characteristics through the self-completion and perfection of the socialist system. Regarding the basic requirements for building socialist culture with Chinese characteristics, Comrade Jiang Zemin indicated, culture with Chinese characteristics must be guided by Marxism-Leninism-Mao Zedong Thought, which has provided powerful ideological insurance for the healthy development of China's socialist culture and literary and artistic undertakings along a correct path.

From both positive and negative experiences and lessons over the past 50 years, we have gained enlightenment: To have a correct attitude of Mao Zedong's thinking on literature and art, first, it must be adhered to; otherwise, its development would be out of the question; second, it needs to develop; otherwise, it could not be satisfactorily adhered to. Here, "adherence" means adherence to the basic tenets and theories in Mao Zedong's thinking on literature and art that have been proven to be correct by the test of practice and time. "Development," on the other hand, means the need of linkage to China's practice, including not only the practice in literature and art work, but also its development in the entire practice of modernization, reform and opening up, while working hard to blaze new trails, make fresh theoretical generalizations, and draw up new theses. Regarding the several theories in Mao Zedong's thinking on literature and art, fresh exploration can be conducted from various angles to add new essences to them. On the basis of summarizing practical experiences, we should encourage exploration, while pushing, adhering to, and developing research in Mao Zedong's thinking on literature and art

in a big way. In the course of adherence and development, we must oppose all erroneous ideological trends opposing, negating, or distorting the basic theories of Mao Zedong's thinking on literature and art; at the same time, we must guard against scholastic research characterized by stressing adherence without paying attention to practice, being complacent and conservative, and divorced from the ever-developing artistic practice, and work hard to prevent a repetition of the error of doctrinism. Both adherence and development are for giving better play to the guidance of Mao Zedong's thinking on literature and art, promoting literary and artistic creation, theoretical studies in literature and art, and the entire literary and artistic undertakings advancing along the correct orientation in realizing greater prosperity and development so literature and art will better serve the people and socialism, and play greater role in building socialist spiritual civilization.

Our purpose for editing the *Complete Works on Mao Zedong's Thinking on Literature and Art* lies in marking the 50th anniversary of the publication of Comrade Mao Zedong's "Talks at the Yanan Forum on Literature and Art" and to allow more comrades to have knowledge of the scientific system of Mao Zedong's thinking on literature and art to systematically grasp its essences and development. The "Complete Works" views Mao Zedong thinking on literature and art as the collective creation of Mao Zedong and proletarian revolutionaries of the older generation. It has collected Mao Zedong's own thinking on literature and art, and the works on literature of art by other party and state leaders as well, and the theoretical aspect of Mao Zedong's thinking on literature and art, and its practice as well; thus fully revealing the rich accomplishments of the literary and artistic arena under the guide of Mao Zedong thinking on literature and art over the past 50 years. Great efforts have been exerted to make the entries and writings in the "Complete Works" accurately embody the party's basic line of "one center, two basic points" in a comprehensive way under the guide of the essence in Comrade Deng Xiaoping's talks on being truth-seeking, objective and fair in the assessment of historical incidents and personalities, "Resolution on Certain Questions in the History of Our Party Since the PRC's Founding," Comrade Jiang Zemin's speech at the meeting marking the 70th anniversary of the CPC's founding, the book entitled *Seventy Years of the CPC*, and the documents issued by the Central Propaganda Department, the Ministry of Culture, and the Ministry of Radio, Film and Television, including the "Opinion on Making Literary and Artistic Creation Prosper Today," and to make the "Complete Works" comprehensive and scientific with stability.

**Beijing Said To Agree to Taiwan Nuclear Dumping**  
HK1504014892 Hong Kong THE STANDARD  
in English 15 Apr 92 p A-5

[By S. L. Law]

[Text] China has agreed in principle during recent talks to allow Taiwan to dump its nuclear waste in islands off the mainland's southeastern coast and the northwestern coast and the northwestern Xinjiang Autonomous Region.

But given that direct communications with the mainland are still illegal in Taipei, Beijing has maintained the disposal plan should proceed cautiously.

According to a China Nuclear Industry Corporation official responsible for international projects, China is interested in the project but is worried about the political sensitivity given that cross-strait direct communications are still illegal in Taiwan.

"Like the talks now going on between the two sides, we can only talk through civilian organisations," the corporation's international cooperation department head Jiang Xinduo said yesterday.

If the two sides do not talk directly it would be impossible to transport the nuclear waste safely from Taiwan for dumping in the mainland.

Taiwan's Radiation Protection Society, a civilian organisation representing the government's Atomic Energy Council, will talk to its mainland counterpart, the China Nuclear Society. It expressed optimism after a recent trip to the mainland.

The Taiwan Society chairman Tseng Te-lin said China basically agreed with the plan but believed the caution was necessary.

"They said high-radiation waste should be dumped in the northwestern Xinjiang region, while low-to medium-level waste should be dumped in suitable islands along the southeastern coast.

"They also added that the disposal plan should proceed step by step," Mr Tseng said.

Taiwan's Atomic Energy Council earlier reported China's approval of its plans to dispose nuclear waste in the islands off the mainland's southeastern coast and northwestern areas.

It said the islands near the Daya Bay Plant were a potential site.

However, an official from Taiwan's Atomic Energy Council said the mainland had retreated from its formal positive stance during the recent talks.

"China always showed a positive attitude, but political issues recently jeopardised the project's development," the official said.

### Departments Urged To Streamline Administration

OW1604055092 Beijing XINHUA Domestic Service  
in Chinese 0221 GMT 15 Apr 92

[By RENMIN RIBAO reporter Pi Shuyi (4122 2885 5030)  
and XINHUA reporter Zhang Yi (1728 3015 4122)]

[Text] Beijing, 15 Apr (XINHUA)—Various departments under the central state organs will be able to resolve the long-standing problem of shortages in administrative funds by strengthening logistical service units, practicing strict economy, and streamlining administration.

Speaking at an administrative and financial work meeting of central state organs, Guo Ji, director of the State Council's Government Offices Administration Bureau, demanded that various departments under the central organs deepen reform in logistical and financial management to ensure the smooth running of business within their departments. He said that before the year 2000, most of the logistical service units will become responsible for their own revenues and spending. They will do this by initially establishing a socialized logistical service system that combines centralization with decentralization, and, under this system, fees will be charged for services rendered both internally and externally. Over the next five years, economic and business relations will be established between state organs and the logistical service departments so that service charges can be imposed after the duties of the logistical service departments and administrations have been separated. Contract systems overseeing various managerial responsibilities will be fully implemented and perfected in these units to strengthen their ability to stand on their own feet and make their own progress in an effort to gradually reduce the state's financial appropriations. Reforms in financial management should also closely revolve around these goals. Meanwhile, the practice of assigned budgetary responsibility should be further promoted and perfected.

Guo Ji also demanded that various departments under the central organs maintain and advance the fine traditions of working hard, practicing economy, and waging a good struggle. He also demanded that they oppose extravagance and waste, including lavish spending, ostentation, and displaying one's wealth, as well as avoid placing emphasis on formalism. It is necessary to effectively control huge expenditures for posts and telecommunications, transportation, official travel, and conferences. Departments also must tighten control over controlled commodities, as well as strictly adhere to regulations governing the purchase of new vehicles by obtaining small and medium-sized vehicles whenever possible. Guo Ji announced: To emphasize the seriousness of budgeting, no applications for supplementary budgets, aside from special items approved by the State Council, will be considered once designated budgets have reached the departmental level.

### Commission for Public Order Presents Work Plan

HK1304041592 Beijing FAZHI RIBAO in Chinese  
18 Mar 92 p 1

[Article by Zhang Ya (1728 0068): "Central Commission for Comprehensive Control of Social Order Puts Forth New Line of Thinking on This Year's Comprehensive Social Order Improvement Program"]

[Text] What should be done to further strengthen the comprehensive control over public order and thus create a stable environment for carrying out reform in depth and expanding the scale of opening? This year's work guideline of the Central Commission for Comprehensive Control of Social Order and its functional organs is: Paving the way through propaganda, giving priority to the "stern crackdown" [yan da 0917 2092], solving the knotty problems that affect law and order, and ensuring the fulfillment of tasks at the grass-roots level.

The Central Commission for Comprehensive Control of Social Order holds that it is necessary to deeply understand Comrade Deng Xiaoping's important theses on building socialism with Chinese characteristics, implement the spirit of the plenary meeting of the CPC Central Committee's Political Bureau, persistently use both hands with one hand grasping reform and opening and the other hand grasping the work of cracking down on criminal activities and eliminating all evil phenomena in society. Both hands must be tough. It is necessary to boost economic construction and also improve social order and public conduct. Remarkable work should be done in developing both material and spiritual civilization. Only this can be called socialism with Chinese characteristics. The party center has pointed out that "doing conscientious work to comprehensively control public order and security" is one of the priority tasks that must be fulfilled this year. At the same time, the Standing Committee of the National People's Congress [NPC] will mainly examine the implementation of the "Decision on Strengthening Comprehensive Control Over Public Order" in this year's law enforcement examination. This fully shows that the party and the state have paid close attention and attached great importance to the work of comprehensively controlling social order, and have set higher requirements and also provided very favorable conditions for the work in this field.

The Central Commission for Comprehensive Control of Social Order points out: In order to provide a better and more stable social environment for guaranteeing the acceleration of reform and opening and the development of the economy, this year, the work of comprehensively controlling public order and security must be done more effectively, solidly, and toughly. The guiding principle is to carry out the party's basic line of "one center, two basic points." Efforts should be focused on implementing the NPC Standing Committee's "Decision on Strengthening Comprehensive Control Over Public Order." A number of effective things must be done in

order to strive for the gradual improvement of the law and order condition in society.

As for the propaganda work, wide publicity should be given to the NPC Standing Committee's decision, as 2 March was the first anniversary of its adoption, so the work of comprehensive control over public order will more deeply strike root in the hearts of the people and the masses will be mobilized to struggle against law-breaking and criminal activities. Recently, the Office of the Central Commission for Comprehensive Control of Social Order and other departments concerned decided that five things should be done in the field of propaganda: 1) Joining hands with FAZHI RIBAO in soliciting contributions for the issue of comprehensively controlling public order; 2) joining hands with the Central Propaganda Department and the Ministry of Public Security in organizing the activities of commending advanced figures and giving publicity to their deeds in the whole country; 3) joining hands with the Central Committee of the Communist Youth League, the Ministry of Justice, and the Ministry of Radio, Film and Television in organizing quiz games about legal knowledge concerning the comprehensive control over public order; 4) compiling and publishing at an earlier date the tutorial materials for popularizing legal knowledge in connection with the NPC Standing Committee's decision; 5) joining hands with the Ministry of Justice in producing a number of educational films on comprehensive control over public order.

The situation in the "stern crackdown" and in the struggle against larceny should be investigated and studied. According to the results of the investigations, local party committees and governments should adopt measures with the departments concerned in further advancing the struggle in this aspect.

Local offices for comprehensive control of social order should investigate and study the reasons why some measures cannot be carried out effectively in some departments and localities, and should then work out their solutions in order to push this year's work of comprehensively controlling public order to a new stage.

It is also planned to join hands with the Ministry of Railways and the Ministry of Public Security in investigating the law-and-order situation along the railway lines, and a decision will be made on solving the long-standing knotty problems in law and order along the railway lines.

#### **More Experts, Scholars To Receive Allowances**

OW1604084192 Beijing XINHUA Domestic Service  
in Chinese 0411 GMT 16 Apr 92

[By reporter He Ping (0149 1627)]

[Text] Beijing, 16 Apr (XINHUA)—According to the Ministry of Personnel, this year the Chinese Government, to express recognition of and respect for experts, scholars, and technicians who have made outstanding

contributions, will increase the number of recipients of special government allowances. There will be a conspicuous increase in the number of young experts, scholars and technicians working on the first front.

A ministry official said that the special government allowance program is based on an important decision made by the CPC Central Committee and the State Council, and that it has reflected Comrade Deng Xiaoping's thinking that science and technology are the primary productive forces. The program, he added, is also good for upholding the principle of remuneration according to work. Ever since the program was introduced in 1990, special government allowances have been given to some 11,000 experts, scholars and technicians who have made outstanding contributions.

It is reported that selection of recipients of special government allowances will continue this year. The selectees, after they have been chosen from various departments of central state organs, and from provinces, autonomous regions, and municipalities directly under the Central Government, will be comprehensively assessed by the Ministry of Personnel and relevant authorities and then referred to the CPC Central Committee and the State Council. The ministry recently sponsored an expert affairs conference in Guiyang to draw up the program's specific details.

### **Military**

#### **Paper Reviews Conversion of Military Production**

HK0904004792 Beijing JIEFANGJUN BAO  
in Chinese 19 Mar 92 p 1

[By Bie Yixun (0446 5030 8113): "China Makes Rapid Advances In Shifting Defense Industry To Civilian Production"]

[Text] Beijing, 17 Mar (JIEFANGJUN BAO)—China's national defense science and technology sector has taken the initiative in directing military industrial enterprises to integrate military and civilian production, and remarkable results have been achieved during the Seventh Five-Year Plan. This reporter has learned from the nationwide science and technology work meeting, which has just concluded, that the military industrial mix has been effectively readjusted, a new operating mechanism which combines the planned economy with market regulation is gradually taking shape, and the military industry is initially endowed with the capability of self-supporting and self-development.

Based on a decision made by the State Council, the system of granting special loans for "shifting military industry to civil production" was set up in 1986. Since then, the reform mechanism has been gradually accelerated, and enterprises' capability of shifting to civil production is ever growing. Of the 585 launched projects, over 100 are up to international standards and more than 300 reach the domestically advanced level. At

present, 70 percent of projects can produce substitutes for imports or can earn foreign exchange, more than 200 projects have gone on stream, producing an additional output value of approximately 1 billion yuan.

The peaceful utilization of nuclear technology in the nuclear industry not only contributes to the successful completion of the Qinshan Nuclear Power Station but also continuously brings about new achievements in the studies and exploitation of nuclear technology for civil use. At present China can produce over 800 types of isotopes, 325 new types have been developed by nuclear radiation technology. In the field of medical science, approximately 200 medical and public health units in the country are engaging in research in application of nuclear technology to medicine. The electronics industry for national defense has developed a series of key hi-tech key products for civil use, which, in turn, laid the foundation for the establishment of enterprise groups like Changhong, Xionghao, and Huanghe. The ordnance industry, in association with up to 100 domestic civil enterprises, has blazed a new trail in developing new style enterprise groups, of which the Jialing Motor Group, Changan Minicar Group, and others, enjoy a high reputation domestically and internationally. The ship-building industry has actively undertaken key state projects concerning the design and manufacture of 12 sets of large-scale key equipment, and improved and modified more than 80 production lines manufacturing civilian products. The ship-building industry is now supplying over 1,000 products not for use on ships and over 80 other backbone products to more than 20 industries and fields relating to electricity, petroleum, the chemical industry, public health, and other fields. Development in the operation of "shifting military industry to civilian production" has not only served the national economy but also added to the military industry's potential for future development.

#### Article Views Military's Role in Reform

HK1304135292 Beijing JIEFANGJUN BAO  
in Chinese 30 Mar 92 pp 1, 4

[Article by staff reporters Lu Tianyi (4151 1131 5030), and Yang Xuequan (2799 1331 3123): "Chinese Soldiers and Tide of Reform"]

[Text] The new tide of reform across China has caught worldwide attention and concern. Now, approximately 3,000 National People's Congress [NPC] deputies are gathering in Beijing to discuss major plans for the state.

On the day of the current NPC session's ceremonious opening, 264 People's Liberation Army [PLA] deputies were seated in the hall's southern and northern wings, like a green great wall shielding the sacred rostrum.

At the hall on that particular day, reporters from Western countries, Hong Kong, and Taiwan surrounded those deputies decorated with the rank of general time and again, and pressed them with the question: What is

the Chinese military's view on the new tide of reform recently set off in Mainland China?

It is not surprising that the world fixes its eyes on the military's attitude, for the military always plays a part not to be neglected in the role and position of a country and nation in the arena of world competition.

Over the rugged course of reform over the past decade and more, what have the Chinese soldiers thought about and done? What role will they play in the new tide of reform?

**Reform Has Mounted a New Plane and Knowledge Has Leaped to a New Height. To Study, Implement, and Defend the Party's Basic Line for 100 Years Has Become an Understanding Shared by Commanders and Soldiers of the Land, Naval, and Air Forces.**

A delegation consisting of senior PLA generals showed up in Shenzhen, Zhuhai, and Dongguan in the early spring of 1992. In factories and rural areas, the generals witnessed that former closed small towns and backward fishing villages had turned into newly arising cities studded with tall buildings; and that some men who used to be under their command had become factory directors, executives, and bosses, who talked about managerial and operational matters clearly and logically. The world has greatly changed, a fact that the generals have seen with their own eyes and with endless excitement.

The PLA has always been a firm supporter and performer of the CPC line, principles, and policies. The Central Military Commission's organizing "a delegation of generals" to visit the special economic zones [SEZ's] was more evidence of the PLA's concern and support of SEZ construction, reform, and opening up.

In recent years, the army system has systematically, vividly, and persistently conducted education in reform, opening up, and the party's basic line in depth. Reform and opening up have always been the main course in the army's political education since reform began, and they remain so with reform to be deepened and opening up expanded today. Of course, outstanding results in education are not confined to "book learning" and "lectures." The seething current of reform spreads across China, with the breeze of opening up wafting through the country. The SEZ's, development zones, and the hinterland, as well as border areas, were classrooms for soldiers; whatever accomplishments in the reform of industry, agriculture, and commerce, all trades, and professions served as their textbooks. The Chinese soldiers have continued to hold aloft the banner and be the pacemakers in the progress of reform and opening up as in every march under CPC leadership.

In a certain sense, reform is primarily destroying the old and establishing the new in ideological concepts. The Chinese soldiers are ruthless to armed enemies, while daring to break with outmoded concepts in their own minds. Breathing in the air of reform and opening up across China, plunging into the fiery life of the state's

and the army's reform and opening up, they have an increasingly deeper and better grasp of the party's basic line, with increasingly greater zeal to support, participate in, and defend reform and opening up. Even those comrades who used to be slow in understanding reform in its early days have already plunged into the warm tide of reform, with a deeper understanding of "one center, two basic points":

- The army is the cornerstone of the state's stability; however, if a nation is economically backward, and its people suffer from impoverishment, genuine stability will be out of the question, even if it boasts the best political system and ideals, and a mighty army.
- Why do we make revolution? Is it not true we do it for a better life for the people? Socialism does not equal impoverishment, which never spells socialism, and is likely to bury socialism. "True, political orientation is dominant, but that should not be an excuse to neglect poverty"; "political orientation" should be adhered to while curing poverty.
- Improving the socialist economy is tantamount to a powerful weapon in resisting the hostile forces' pursuit of peaceful evolution in China.
- The party's basic line set forth by Comrade Deng Xiaoping is one of making the nation prosper and the army strong, and is the Chinese nation's lifeline. We should never be shaken in studying, implementing, or adhering to this basic line for 100 years.

**Be Proud of Yourselves, Soldiers. Contained in the Harvests of Reform Is Our Selfless Devotion. Endurance Itself Spells Dedication. We Will Endure as Long as the National Economic Construction Situation Calls For It.**

"The PLA, armed police corps, public security cadres, and police are the staunch pillars for defending the motherland; they have unswervingly practiced the purport of serving the people heart and soul, and rendered immortal meritorious services to socialist construction, reform, and opening up."

The PLA has been happy in five consecutive NPC sessions. Deputies to the current NPC session will not forget that the military's deeds have been praised in the "Government Work Report" of five consecutive sessions. Just as it was generalized in an attention-catching banner of the local press: Reform and Opening Up Contain the PLA's Selfless Dedication!

Those words are well put! In recent years, the military has demobilized 1 million troops and suppressed military expenditures to the maximum, while participating in building ports, dockyards, and airports; bringing up qualified people for both military and civil purposes, with the war industry producing products for military as well as civil use; supporting the construction of key projects; and rushing to deal with emergencies and provide disaster relief. The people's army is especially capable of bearing any hardship or fight. How many gaps

they have filled on the republic's map in construction! What numerous bottlenecks they have tackled! Our PLA men are found on every fiery work site of national key projects. The completion of the project of introducing the Luanhe waters to Tianjin has ended the history of Tianjin's citizens drinking salt water. The completion of the Gushan Tunnel has made Fuzhou's further opening up easier. The military participated in building 140 key projects at and above the provincial level in 1991 alone, including the Qinshan Nuclear Power Station, the Chengdu-Chongqing Expressway, the international airports in Shenzhen and Sanya, and Shanghai's Nanpu Bridge.

Superficially, the barrack seems to have no direct connection with the fiery economic construction, reform, and opening up; but our servicemen are by no means onlookers. Their dedication not only finds expression in going through fire and water and exerting great efforts, but also in their utmost loyalty to the motherland, scrupulously performing their duties to create a stable and secure environment for reform and opening up. One SEZ mayor said with feeling: With the troops stationed here full of vigor, without even firing a shot, the mafia and evil forces overseas would not dare come here to make trouble. In another SEZ, the military was planning to pull a company out from a famous scenic area; however, the people there sent in a petition, strongly demanding that the company stay, while collecting funds to build barracks with a garden for the company to stay permanently. This company's support to the SEZ might be small, but its deterrent role in sustaining the SEZ's security and stability, its exemplary role in spreading spiritual civilization, and its imperceptible influences are irreplaceable.

Regarding the military's role and place in reform and opening up, the broad masses share the SEZ people's experience: On the stage of reform, there is no difference between the star and supporting roles. A nation's reform and opening up call for the efforts of factory directors and executives, writers and artists, and generals and soldiers to defend the nation as well. Those soldiers keeping watch in the Gobi Desert, in snow-covered posts, and on faraway islands do not help carry bricks to scaffolds for tall buildings, nor do they help lay rails to extend railways; however, their contributions to reform and opening up should not be forgotten.

Half of the pioneers in opening up Shenzhen were servicemen. It was reported that half of the fine entrepreneurs in Shenzhen in 1990 were ex-servicemen. The army, a great school, has provided the nation one batch after another of fine qualified people. Among the heroes in the reform arena, many are proud of having served in the army.

To subject to and serve the whole situation of national economic construction, the people's army has worked hard to lighten the state's financial burden and has adhered to austerity. The reporters have often heard inspiring words in various army units, such as the

following: Economic construction is the whole situation; under the circumstances of impossible increases in defense spending, soldiers' endurance is also a sort of dedication; and we will endure as long as the situation calls for it.

**The Army Will Become Strong When the Nation Prospers. The Army and Soldiers Also Directly Benefit From Reform and Opening Up.**

Soldiers are not only participants and defenders of reform and opening up, but also beneficiaries.

The great practice of reform and opening up, which involves the participation of millions upon millions of people, has greatly enriched the contents of the army's political education. In giving political lectures on socialism's advantages, it is no longer necessary to stick to one example for several years, for earth-shaking changes have taken place near barracks, with irrefutable examples within reach, which play a tremendous role in firming the faith of officers and men in socialism. The enterprising spirit, sense of blazing new trails and competition, truth-seeking style, and sense of information and economic returns have all instilled new vitality in army building. The tide of reform in localities has vigorously promoted the army's own reform in military training and political and logistics work.

The substantial benefits from reform and opening up to the army are many. The deputies mentioned that helicopters have replaced horse-drawn sleighs in border patrols; airlifts now transport veterans and new recruits in and out of the Tibetan plateau; all companies army-wide have color TV's; many units have left "sun-baked mud brick" barracks for good and moved into new-style barracks; and batches of Soviet-style trucks have been replaced by Cherokees. Many dreams have come true only in recent years.

To win a war, the army has to rely on the people. When the people become well-off, such reliance will become more sound. Take for instance the employment of servicemen's dependents, the education of their children, and work arrangements for demobilized servicemen; would there be as many opportunities today without the vigorous development in various undertakings?

True, a small number of servicemen will sometimes find it hard to maintain their mental peace when they see the differences, making horizontal comparison between the army and localities of their material conditions. However, they see well that it is impossible for a population of 1.1 billion to achieve a "comparatively well-off" living standard all at the same time, and that a number of places and people have to get rich first. As honorable soldiers, who enjoy only after the whole world enjoys, they naturally fall into the category of those who will become well-off later. They believe, like the common people, in a better future.

**Responsibilities Are Heavy in Playing the Role of "Escort," the Army Should Grasp the Current Favorable Opportunity To Actively Push Its Own Building and Reform.**

To share a common fate with reform, the army will firmly and persistently support, participate in, defend, and "escort" reform, opening up, and economic development. This statement of deputy Yang Baibing voiced the common will of officers and men of the land, naval, and air forces.

It is impossible for an army with weak combat ability to fulfill its historical "escort" mission. For the PLA to protect the republic and smoothly advance in security towards victory in reform's stormy waves, the key lies in firmly grasping the present favorable opportunity to actively push its own building and reform, and genuinely accomplish the requirements set forth by Comrade Jiang Zemin, namely, "be politically qualified, have perfect mastery of military skills and a fine style, be highly disciplined, and have efficient logistics."

Obviously, the army's peculiar functions determine that the army's own reform must be conducted actively and appropriately. Comparatively speaking, reform measures will not be presented one after another like some trades in the localities. However, the cool and steady servicemen have as strong a sense of pressure for reform as anyone else. "Do not let slip an opportunity; it may never come again." Many deputies believe there is much to be accomplished in army reform. While formulating plans for "escorting" reform, opening up, economic construction, and the army's future, the deputies listed one factor after another of the "favorable opportunity," and made one proposal after another.

To play the "escort" role, the army should always be placed under the party's absolute leadership; closely unite around the Central Committee with Comrade Jiang Zemin as the core; and always be loyal to the party, the people, the motherland, and socialism.

To play the "escort" role, it is imperative to grasp well the study and reeducation in the party's basic line, to boost popular morale, and promote the emancipation of the mind and unification;

To play the "escort" role, it is necessary to attach importance to quality building, firmly take the road of picked troops with Chinese characteristics, be sound loyal defenders of the republic, and maintain high vigilance against hostile forces in their vain attempts to mar China's reform and construction;

To play the "escort" role, it is necessary to adhere to the principle of subjecting to and serving the whole situation of the national economic construction as always, and continue to support the state's reform and opening up in a big way; and

To play the "escort" role, it is necessary to do a good job of supporting the government and cherishing the people with higher standards to provide important political

guarantee for accelerating reform and opening up with firm army-government and army-people solidarity.

The army is the nation's great wall. Over the years, our soldiers have shaken heaven and earth in transforming China's features.

Practice has proved, and will continue to prove, that the PLA was an invincible force in the past, is now, and will always be so in the tide of deepening reform and expanding opening up!

### **PLA Soldiers Assist Special Economic Zones**

*OW1104041292 Beijing XINHUA in English  
0259 GMT 11 Apr 92*

[Text] Beijing, April 11 (XINHUA)—The Chinese People's Liberation Army (PLA) is helping the special economic zones (SEZ) with their construction.

So far it has pledged to give aid to about ten key projects.

For the past few days the naval and air force units of the Guangzhou and Nanjing Military Commands have been busy outlining aid plans.

The navy ordered its men to make immediate arrangements for opening military installations the State Council and the Central Military Committee of the Chinese Communist Party have decided to open to the outside world, and to undertake coastal project construction.

The military commands of southern China's Guangdong, Hainan and Fujian Provinces have also mobilized troops to take part in the construction of key projects in the SEZ areas.

So far, the PLA has sent men to Shenzhen, Zhuhai, Shantou and Hainan, four of China's five special economic zones, to find out their needs.

At present, several thousand PLA men are working on the construction sites of a dozen key projects in south China's Hainan SEZ.

### **Senior Military Officers Inspect Shenzhen**

*HK1604062692 Hong Kong WEN WEI PO  
in Chinese 16 Apr 92 p 2*

[Dispatch from Shenzhen: "PLA Senior Officers Visit Shenzhen, Pledge To Escort Reform and Opening Up"]

[Text] Shenzhen, 15 April (WEN WEI PO)—Three groups of Army leaders organized by the General Political Department of the Chinese People's Liberation Army ended their inspection activities in Shenzhen a few days ago. On the morning of 14 April, leading Shenzhen officials bid farewell to the last group of senior Army officers at the Xin Yuan Hotel.

The three inspection groups largely comprised of chiefs and deputy chiefs of various armed services and

branches from the major military regions, with 38 lieutenant generals and 26 major generals. During their stay in Shenzhen, they listened to reports by the city's leading officials on the basic conditions of social economic development as well as reform and opening up in Shenzhen and visited Nanfang Pharmaceutical Factory, Saige Hitachi Television Tube Plant, Shuiwei Village, Huanggan Checkpoint, Guomao Building, Shataukok Village, Shekou Industrial Zone, and the Chinese Village of Folk Customs and Culture.

When the first group came to Shenzhen in late February, shortly after Deng Xiaoping, China's chief architect of reform and opening up, ended his inspection of Shenzhen, "SHENZHEN TEQU BAO" [SHENZHEN SPECIAL ECONOMIC ZONE DAILY] carried "A Series of Eight Commentaries on the Spring Festival of the Year of the Monkey," and another spring high tide started thereafter. Through their visits and observations, the generals experienced personally the changes in Shenzhen brought about by reform and opening up, saw the people of Shenzhen persist, under CPC leadership, in the useful exploration of building socialism with Chinese characteristics and deepened their theoretical and practical understanding of reform and opening up initiated by Deng Xiaoping.

### **Shanghai's Wu Bangguo Visits Construction Site**

*OW1104143192 Shanghai People's Radio Network  
in Mandarin 2300 GMT 3 Apr 92*

[From the "Morning News" program]

[Text] Yesterday afternoon, Secretary Wu Bangguo of the Shanghai Municipal CPC Committee paid a special visit to officers and soldiers of the Good Eighth Company on Nanjing Road, who were working hard days and nights on the construction site of the Xiedaxiang commercial building, one of the 10 largest reconstruction projects on Nanjing Road.

Linking arms with company leader Wang Chong and company political instructor Li Xiaoming, Wu Bangguo said with deep feeling: The people of Shanghai will never forget your strenuous efforts in promoting the development of Shanghai.

The company, under the order of the PLA Shanghai garrison, moved to Nanjing Road to participate in the construction projects of the Xiedaxiang commercial building and the First pharmaceutical store. All the officers and soldiers live in a basement and eat at the construction site. In spite of winds and rain, they work very hard. As a result, they have won acclaim from the projects' technical engineers.

### **Nanjing Region Holds NPC Guidelines Rally**

*OW1304192092 Nanjing Jiangsu People's Radio  
Network in Mandarin 1015 GMT 7 Apr 92*

[From the "News" program]

[Text] The various organs under the Nanjing Military Region today held a rally to relay and implement the guidelines of the Fifth Session of Seventh National People's Congress [NPC]. A total of more than 1,200 participants, including Xiang Shouzhi, member of the Central Advisory Commission, and leading comrades of the Nanjing Military Region, including Gu Hui, Shi Yuxiao, Guo Xizhang, Wang Yongming, Pei Jiuzhou, Zhang Zongde, and Lan Baojing, as well as deputies from the military region to the Seventh National People's Congress, and cadres of the headquarters, the political department and the logistics department under the military region, officers, and soldiers stationed in the camp, attended the mass meeting.

Pei Jiuzhou, deputy from the Nanjing Military Region to the National People's Congress and deputy political commissar of the Nanjing Military Region, briefed the meeting about the grand occasion of the Fifth Session of the Seventh National People's Congress and relayed the basic guidelines of the session. Wang Yongming, deputy political commissar of the military region, addressed the meeting on how to implement the guidelines of the session. He said: Earnestly relaying and studying the guidelines of the session of the National People's Congress is of great significance in educating and guiding the broad masses of officers and soldiers, further enhancing reform and construction in rejuvenating our country, in showing support for the major policy decisions of the party and the state, extending support, participating in and protecting reform and opening to the outside world, as well as in accelerating the qualitative construction of our army and propelling the construction and reform of our troops. He urged the troops to link their ideological study to resolving four major issues. First, it is necessary to correctly understand the basic assessment and scientific analysis of the greatest achievements made with the introduction of reform and open policies. Second, it is necessary to support the objectives and role of reform and development of our country, and heighten the sense of urgency and responsibility for striving to fulfill the historic mission. Third, it is necessary to focus our attention on studying the various laws examined and approved by the session and to fully understand the great importance of strengthening socialist democracy and construction of the legal system. Fourth, it is necessary to be fully aware of the historic role of the army in implementing and safeguarding the party's basic line and in supporting and participating in the cause of reform and opening to the outside world. It is necessary to even more consciously subordinate ourselves to and serve the major interest of national economic construction and to constantly push forward the reform and building of the army.

### **Economic & Agricultural**

#### **RENMIN RIBAO Lauds Shanghai Reform**

##### **State Enterprises Show New 'Vitality'**

HK1504111392 Beijing RENMIN RIBAO in Chinese  
12 Mar 92 pp 1, 2

[Article by staff reporters Zhang Shihong (4545 0013 7703), Xiao Guan'gen (5618 7070 2704), and Liu Shian

(0491 1102 1344): "A New Vitality Is Emerging—Initial Exploration Into How Shanghai Municipal State Enterprises Have Deepened Reform"]

[Text] New vitality is growing in Shanghai, China's largest industrial and commercial city. More than 200 state-owned enterprises have been conducting reform, in various forms, to transform their internal mechanism. This has now widely drawn attention of wage earners in Shanghai and has become a favorite topic of conversation within the business circles.

Facts have shown that in-depth reform is a common aspiration of not only a small number of enterprise leaders but also the vast majority of staff and workers. This aspiration is unexpectedly strong, so strong that more and more enterprises are now applying to join the pilot reform project. Members of every enterprise whose application for launching a pilot project is approved will be as delighted as if watching a festival, and the management of every enterprise has confidence in this great project's success. Although the pilot reform project has been conducted for a very short time or, to be precise, less than half a year, initial results have been scored. According to the original plan, the Shanghai municipal government should have conceded a profit portion of more than 300 million yuan to enterprises that were in the pilot project in the fourth quarter last year, but it ended up conceding merely 100 million yuan or more because enterprises in the pilot project had their economic returns increasing much faster than expected. This has fully shown that the Shanghai working class, with a glorious tradition, can undertake the historical mission, bringing socialist enterprises to a new historical stage, fearless of risk and hardship.

##### **Each Enterprising Staff Member or Worker Would Not Keep the "Iron Rice Bowl"**

The congress of the Shanghai No. 3 Iron and Steel Works staff and workers' representatives cast secret ballots on draft plans for reforming the personnel and income distribution systems as part of the general reform plan proposed by the plant management. It ended up with more than 98 percent of the votes in favor of the draft plans; and over 99 percent of the 32,000 staff and workers signed a labor contract with the plant. This indicates that all the plant's staff and workers are eager to achieve something, and nobody wants to keep the "iron rice bowl" any longer. How should one interpret this phenomenon? It is said that this outcome reflects a conceptual update and progress as a result of reform and opening up over the past decade. The workers, being the most realistic people, do not talk much about theories. They are well aware that the laws of modern socialized production are irresistible, and this form of production is beneficial to both the enterprise and themselves.

Of course, it is not true that the workers never have doubts. Some workers have wondered whether their status as the masters of the enterprise will be downgraded and the expansion of the management's power

would render the relationship between the management and the workers as purely a relationship "between employer and employees"; some old workers were left with a sense of loss, feeling that it is not worthwhile to work for almost all their lives just to have the status of "contract worker." The union Shanghai No. 5 Iron and Steel Works trade held a meeting to discuss whether the procedure to break the "iron rice bowl" and the "same big pot" consists of, or contradicts, the workers' status as masters of the enterprise. Through discussion, the workers reached a consensus. First, they agree that the old state-owned enterprise structure hinders the liberation of the productive forces, which is obvious to all; while the transformation of the enterprise operational mechanism can help further liberate the productive forces and give full play to the initiative of the workers as the masters of the enterprise. Second, the rights and obligations of the workers as masters of the enterprise should be clearly defined to truly reflect the spirit of the principle of "distribution according to work, more pay for more work, and the replacement of the incompetent by the competent," and the purpose in doing so is for the overall interests of both the enterprise and the workers. And third, under the old structure, the enterprise does not enjoy decision-making power in enterprise management while the authority of the staff and worker representatives' congress is limited. From now on, the enterprise will operate on its own and the enterprise's fate will be under the control of all of the staff and workers, so the staff and workers representatives' congress is to assume greater responsibility than before, and the workers' status as masters will be strengthened rather than weakened.

Some people are worried that the cadres might practice favoritism in personnel appointments, thus turning the "employment through competition" system into a "employment through relations" system, and "an optimized staff" into "a staff formed by relatives and friends." To prevent this, the enterprises chosen to launch the pilot project in Shanghai have used caution in the process of reform. They have generally carried out the pilot project in three steps: first, all staff and workers had to sign an all-personnel labor contract; second, a specific position contract had to be signed; and finally, the employee who signed a position contract was to assume office, while arrangements are made for a new job for the one who was discharged from that post. The key lies in the second step, where special caution must be used to ensure equity. The Shanghai No. 3 Iron and Steel Works first launched pilot projects in two subsidiary plants. First, they let every staff member or worker make a self-assessment (by giving a grade for his own performance); then staff members and workers had to grade each other, and management had to grade each staff member or worker; finally, an assessments group graded each staff member or worker based on all of the above-mentioned grades, and publicly released the results. Through these procedures, cadres could hardly practice favoritism toward anyone; persons who were to take up new posts and persons who were to be discharged from

posts could all feel that the system was fair and would have no complaint. This has resulted in a tremendous change in the attitude of newly appointed staff members and workers toward their duties.

The Shanghai No. 3 Iron and Steel Works management emphasized that party members and cadres must play exemplary roles in the enterprise's in-depth reform, take overall interests into consideration, and do a good job in persuading the staff and workers. The enterprise management has written to every family of the staff members and workers to enlist their support, and has made every effort to pacify and persuade those who are to be discharged from their present posts.

All enterprises conducting the pilot project have tried many ways to find jobs for discharged staff members and workers. For instance, they have tried to recommend their employees to other units, set up a job market within the enterprise for job seekers, and opened up new offices to run tertiary industries. The Shanghai No. 3 Iron and Steel Works discharged 10 percent of its staff and workers. A metallurgical development corporation was then set up under the iron and steel works to accommodate more than 900 people. The corporation's general manager said they would run technical training courses to foster technical personnel so that these staff members and workers would become qualified to fill any vacancies in the iron and steel works.

Finding jobs for redundant staff members and workers requires the enterprise's efforts and the community's support. As far as this is concerned, our goal is to develop a social security system under which the state, the enterprise, and the individual assume common responsibility; all kinds of labor markets offering job opportunities; and various systems to render services to people looking for jobs; and, in the meantime, laws and regulations concerning labor and employment must be formulated and perfected as quickly as possible. Supporting reforms must be launched, as these are indispensable major tasks which all Shanghai people should undertake without delay.

#### **Quality Products Will Not Be Able To Enter the Market If Restrictions on Enterprise Management Are Not Lifted**

The current in-depth enterprise reform's general goal in Shanghai municipality is "to transform the operational mechanism and to lift restrictions on enterprise management." These two aspects complement each other. Quality products will not be able to enter the market if restrictions on enterprise management are not lifted.

Under the old structure, because the state monopolizes the supply of raw materials and the sale of products, the enterprise simply concentrates its attention on production, waiting for customers to place orders without taking the trouble to promote its products or caring about what happens in the outside world. Now this old practice has become outdated in the wake of intense competition in the market. State-owned enterprises in

Shanghai used to suffer a lot because they were subject to the old structure's restraints for a long time and paid little attention to enterprise management. As a result, they have been defeated by "foreign-funded" enterprises or even town and township enterprises in terms of sales, although many of their products are of fine quality. Shanghai products with great competitive power are to stage a comeback to the market, so reforming the enterprise management mechanism and intensifying the sales system brooks no delay.

Therefore, an important guideline for Shanghai municipality's enterprise reform is to delegate decision-making power to enterprises as soon as possible in order to free them from administrative intervention and to let them directly take part in market competition, and learn how to keep up with the ever-developing market and to increase their ability to react to market changes.

How should restrictions on enterprise management be lifted? Every enterprise in the pilot project has adopted its own methods and measures. Wan Deming, director of the Shanghai No. 2 Woolen Textiles Mill, who is well known for his down-to-earth work style, strongly intends to join the competition in the international market. He has paid close attention to the international market situation and has constantly adjusted his enterprise's operational policy according to market changes. The enterprise's import-export office, which is under his direct leadership, is staffed with a number of competent sales executives and is maintaining close ties with more than 50 foreign business firms. This woolen mill has ranked among the best plants in the business in terms of economic returns for the past eight consecutive years. Last year, 40 percent of its products were exported abroad, netting foreign exchange earnings of \$11 million. Under this year's plan, 60 percent of its products are to be exported, orders for exports have been received, and it is expected that this year's foreign exchange earnings will increase to more than \$18 million. Director Wan said: Now that our woolen mill has launched a pilot project to lift restrictions on enterprise management and has been given the decision-making power in import-export operations, we can further increase our export volume.

All pilot project enterprises have now focused their attention on the market. They used to wait for buyers to place orders in the past, but now they are taking the initiative in seeking potential buyers and make every effort to explore the market. They attach full importance to sales and after-sales service, and their directors now directly contact customers. The key step that the Shanghai Analytical Instrument Plant took after it launched the pilot reform project was to set up new bodies to cope with the market's needs. While streamlining its management structure, the plant has strengthened its sales team and new products development department. The sales team, which had only one staff member in the past, has been expanded into one with more than 80 people, and a special policy is applied to give them a free rein. The advantage of this measure is

that the enterprise can now be directly linked to the market, being able to sense in good time any market changes, make prompt reactions, and hold the initiative in competition.

After the restrictions on enterprise management are lifted, enterprises will have to turn in newer and better products to meet market demands. So they will have to constantly adjust their product mix. Discarding old products and developing new ones usually incurs risks, but without taking any risk one can never learn how to survive and will in the end be weeded out of the market. The Shanghai No. 2 Woolen Mill has adopted the following strategy: "We will do what others refuse to do." This woolen mill is always ready to accept orders for products that involve high qualitative requirements, great difficulties in production, and an early delivery date, because the management believes that these products have strong competitive power on the international market. Many woolen mills in China do not, or dare not, take orders for the type of light, thin, fine woolen fabric which has been pretty well received on the market in recent years. But the Shanghai No. 2 Woolen Mill has seized the opportunity; organized technical personnel to develop the product line; and finally produced a wide variety of light, thin, fabrics that have become foreign importers' favorite items. The woolen mill has produced more than 1.16 million meters of woolen fabrics of this kind in the past two years and has turned in foreign exchange earnings of \$6.4 million.

The scope of Shanghai's reform and opening up is expanding and it is not limited to enterprises selected by the municipality to undergo experiments. Earlier this year, the Shanghai Instruments Bureau urged its enterprises to vigorously carry out structural readjustments; increase the number of salesmen; further promote sales; and offer preferential treatment to salesmen that will include professional titles, welfare benefits, personal insurance, telephone installation, and the right to use cars. Other industrial departments in Shanghai also started to take action.

Under the new situation, Shanghai's enterprise circles earnestly hope for the early establishment of a mature market in which to carry out competition on an equal footing, and that is required in light of commodity and market laws. The barriers erected between regions and markets should be removed. Enterprises can give full play to their role and implement the reform achievements only with an extensive market under unified policies.

#### **Higher and Lower Levels Should Move Simultaneously in Upgrading Their Concepts**

The transition from the old structure to a new one should be guided by new concepts. Without new concepts, it will be impossible to transform the old ones and there will not be a new way out. We are all in favor of reform. But

some people's understanding may be profound while that of others is shallow and their standpoint on many issues may differ.

Song Zhuangfei, director of the Shanghai Tire Corporation, said that it would not be enough for enterprise mechanism reform to merely resolve the problems of the "big pot" and allow workers to do more. Its long-range target should be: drafting reform plans from a higher plane and enabling enterprises to reach the world's advanced levels. There is now a wide gap between China's tire industry and that of other countries. To do things in light of the laws of modern social production, it is necessary to develop economies of scale and increase efficiency of scale as quickly as possible. To this end, we should encourage enterprise competition. The principle of allowing the best to survive is applicable among workers as well as enterprises. Otherwise, there will be no motivation for enterprise progress. The corporation turns out 3 million tires annually and plans to increase the output to 6 million in 1995 and 10 million in 2000. Compared with other countries, this growth cannot be regarded as advanced. However, there are more than 200 tire factories nationwide and the quality and efficiency of many factories are relatively low. How should this problem be resolved? Some leaders insisted that "food should be shared between all" and that Shanghai's growth should not be too rapid, which might affect the same trade in other localities. If this is the case, it will hold the advanced enterprises back and also be disadvantageous to the backward enterprises' progress. Director Song said that the higher and lower levels should move simultaneously in upgrading their concepts. The higher level departments should encourage enterprises to carry out competition and free themselves from the old planned-economy framework. Otherwise, it will be difficult on the whole to smash the big pot.

What does the new enterprise mechanism mean? It refers to the frequent flow of enterprise workers. Like flowing water, they may be employed as well as dismissed; and get promoted as well as be downgraded. A tire corporation enterprise proposed running four shifts instead of three to resolve the redundant staff problem. Is this a good method? The corporation was not in favor of this proposal. If not a single worker is allowed to be dismissed, it would be the same as the old mechanism. When there are some people in society waiting for jobs, it will put pressure on those with jobs and they would have a sense of honor. Only with employment and dismissal can we improve enterprise quality. There are still some theoretical controversies over this question. Nevertheless, the tire corporation has insisted on its stand and so do the Shanghai municipal government leaders.

The upgrading of concepts is a pressing matter at the moment. Shanghai's current situation is that, in terms of the upgrading of concepts, enterprise leading departments are lagging behind the enterprises, which cannot but affect the implementation of enterprise reform measures. It is a prominent problem in the current reform to

speed up the upgrading of concepts of the leading departments at all levels and to foster the new concept of serving enterprises rather than meddling in enterprises' affairs. Naturally, there is a problem of leading departments consciously upgrading their concepts as well as a problem of accelerating leadership structure reform. With the deepening of enterprise reform, the solution to this problem has become increasingly pressing.

### Commentator's Article

HK1504111892 Beijing RENMIN RIBAO in Chinese  
12 Mar 92 p 1

[Commentator's article: "Deepen the Reform of Three Internal Institutions of Enterprises"]

[Text] The article on the deepened reform of Shanghai's state enterprises is worth reading. It vividly proves that deepened reform accords with the people's will.

This year, China's economic structural reform will be focused on changing the enterprise operation mechanism. The target is to gradually make enterprises producers and operators in a planned socialist commodity economy carrying out independent business, assuming sole responsibility for their profits and losses, and seeking expansion and self-regulation. Focused on this point, the governments at various levels and all departments should try as much as possible to create favorable external conditions for reform. In addition, enterprises should seize the opportune moment to boldly practice and make strenuous efforts to deepen internal reform.

The deepening of internal enterprise reform includes reforming the labor, personnel, and wage distribution systems and establishing an incentive mechanism. This is the most direct and effective measure for arousing the workers' enthusiasm. The practices of enterprises in Shanghai and other localities have proved that enterprises will be full of vitality and there will be hope and guarantees for increasing their efficiency as long as the three institutions are properly reformed.

Through reform and experimentation over the past decade or so, China has achieved some success in internal enterprise reform. On the whole, however, the reform steps are still limited and development is uneven. Most of the enterprises have not yet established an operation mechanism suited to a planned socialist commodity economy and they lack vitality in market competition. In the labor system, there is a universal problem of overstaffed organs, lax discipline, low efficiency, and workers holding permanent jobs. In the personnel system, the practices of promoting but not demoting cadres, "appointing cadres based on seniority," and "lifelong tenure of office" have halted the selection and training of qualified people. In the wage system, many enterprises are faced with the problem that wages can only increase but not decrease. Egalitarianism and "everybody eating from the big pot" still constitute the main tendency in enterprises' internal distribution.

Because workers get the same pay, irrespective of their performance, their enthusiasm is seriously dampened.

There are objective reasons for the slow progress of internal enterprise reform. It will be rather difficult to reform the management system which has taken shape over the years. Naturally, there are also reasons of a lack of effort made by enterprises, decision-making rights that are not ensured, policies that are not coordinated, and insufficient support from the higher levels. The deepening of enterprises' internal reform is a matter for the enterprises as well as all of society. We can attain marked progress and good results only by acquiring a common understanding in all fields.

We should be bold and active in deepening the reform of the enterprises' three internal institutions and never try to wait for support. China's enterprises are faced with many difficulties. However, large numbers of advanced enterprises have boldly carried out internal reforms and have achieved marked successes instead of negatively waiting for better external conditions. Benefiting from a good job done in the deepened reform of the three internal institutions, most of China's primary and secondary state enterprises have vigor and vitality. Enterprises in many localities throughout the country have vigorously promoted reform of the three internal institutions. This spirit of "daring to blaze new trails" is worth recommending.

The key to the success of the in-depth reform of the three internal enterprise institutions lies in proceeding from practice, working out implementation plans, attaining the practical results of promoting enterprise progress, and winning the support of the majority of the staff members and workers. For example, rearrangement of large numbers of workers and staff members will be necessary following the streamlining of administrative organs and optimizing of labor organizations. Only by properly handling the reduced staff and workers can we ensure the smooth progress of reform. China has a vast territory in which the conditions of the localities and enterprises differ greatly from one another. As production and operation characteristics of enterprises differ from each other, internal enterprise reform should be carried out in line with local and enterprise conditions. We should not seek uniformity in this regard, mechanically copy the experience of others, or rush headlong into mass action. Internal enterprise reform should be focused on changing the operation mechanism and the reform's achievements should be indicated in the emancipation of productive forces and an increase in economic efficiency. Enterprises should be allowed to adopt different means of reform and select different ways to make breakthroughs. Practical results should be stressed and we should avoid formalism and stirring up a wind.

Government administrative departments should correspondingly effect a change in their functions following the reform of the enterprises' three internal institutions. Only by taking concerted action from the top to the bottom and carrying out reforms of the social insurance

and price systems can we genuinely make a breakthrough in internal enterprise reform. If government departments regard the reform of the three institutions merely as a matter of enterprises, take no action, and fail to change their functions, it will be impossible for enterprises to deepen reform of their three internal institutions in isolation.

Our target is to establish a new mechanism in all state enterprises, large and medium ones in particular, in which "cadres can be promoted as well as demoted, staff can be employed as well as dismissed, and wages can be increased as well as decreased." This accords with the planned socialist commodity economy as well as the people's will. We believe that this target will certainly be attained with the concerted efforts of the masses and cadres.

#### State Enterprises 1st Quarter Output Up 18%

OW1604093492 Beijing XINHUA in English  
0858 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—China's state-owned enterprises registered steady increases in output value and profits in the first quarter of this year after a three-year period of stagnation, according to a spokesman from the State Statistics Bureau.

Bureau spokesman Zhang Zhongji told Chinese and foreign correspondents here today that China's large and medium-sized state-owned enterprises registered an average 18-percent rise in output value, and the state-owned enterprises covered by the state budget saw a 16.5 percent increase in taxes and profits or an 18.1 percent rise in profits alone over the same period last year.

According to the spokesman, China's enterprises above township level turned out 608 billion yuan in output value in the first quarter of this year, representing a growth of 18.2 percent over the same period last year.

He said China's departments within the public ownership sector invested 34.4 billion yuan in fixed assets in the first three months, up by 36.6 percent.

However, he said, about one-third of the state-owned enterprises still made a total loss of 9.5 billion yuan in the three months.

#### Growth 'Too Fast;' Inflation Pressure Up

HK1604052592 Hong Kong AFP in English 0517 GMT  
16 April 92

[Text] Beijing, April 16 (AFP)—Industrial production in China leapt 18.2 percent in the first three months of 1992 compared with the same period last year, generating increased inflationary pressures, the State Statistical Bureau said Thursday.

March alone showed a 20.1 percent increase over the same month last year, spokesman Zhang Zhongji told a press conference.

Warning against the dangers of "too fast a growth," Zhang said it was "quite likely that the GNP for the whole year will surpass the target of six percent, but to what extent it is too early to say."

Premier Li Peng confirmed the six percent target at the beginning of April, as China strove to maintain moderate, regular growth while pressing ahead with economic reforms.

Zhang spoke of inflationary pressures, especially in China's 35 largest cities where the cost of living rose 10.9 percent in the first quarter.

According to Zhang, stockpiles of state-run industrial firms rose to 15.4 billion yuan (2.8 billion dollars) in the January-March period, with overall public sector losses rising 6.4 percent.

#### **Rural Contract System 'Confused Ideas' Addressed**

*HK1604073592 Beijing GUANGMING RIBAO in Chinese 14 Mar 92 p 3*

[Article by Zhan Wu (6124 2976), Wang Guichen (3769 6311 1368), and Geng Liang (5105 0081): "Confused Ideas About the Contract Responsibility System on a Household Basis With Remuneration Linked to Output Require Clarification"]

[Text] Since the Third Plenary Session of the 11th CPC Central Committee, the contract responsibility system with remuneration linked to output, with the contract responsibility system on a household basis with remuneration linked to output as the main form, has been gradually popularized in China's rural areas. Practice has proven that this system is suitable for the long-term and extensive development of China's agricultural productive forces. There are five concrete forms under this system: The form of contracted responsibilities by professional groups with remuneration linked to output (usually contracted by professional teams or groups), the form of contracted responsibilities on a household basis with payment linked to output, the form of fixing output quotas for each laborer (labor force), the form of fixing output quotas for each household, and the form of dividing up work on a household basis. The five forms have their respective advantages and suitabilities. The form of contracted responsibilities by professional groups collectively with remuneration linked to output emerged mainly from areas where the collective economy had been better developed and where there was originally a higher degree of professionalization and socialization. Its advantage is that it suits large scale operations and can bring about better mechanical and scientific and technological results. Most of the contracted responsibility systems on the household basis (including the forms of fixing output quotas for each household and dividing up work on a household basis) emerged in areas where the collective economy and the commodity economy were relatively weaker and backward. Their advantage is that under these systems, the peasants have more decision-making power and greater

enthusiasm for production, and the egalitarian "big pot" is more thoroughly broken. Especially, the form of dividing up work on a household basis is enthusiastically supported by the great majority of peasants, because it is directly and closely related to their interests. Generally speaking, the majority of peasants in China have chosen the form of contracted responsibilities on a household basis. Although in some places there have been slight changes in the proportion of contract by collectives and contract on a household basis, the general pattern of the contract on a household basis as the main form has not been changed. Our practice in reform over the past decade fully proves that the new management structure in the rural areas, which is characterized by various forms of contracted responsibilities with remuneration linked to output, primarily the form of contracted responsibilities on the household basis, is not only a good transitional method for our country in the current stage when our level of productive forces is still rather low, but is also a fundamental system for the entire initial stage of socialism.

However, quite a few peasants, and some rural cadres too, are still worrying about the stability of this new structure. Even some people in the theoretical circles also believe that the contract responsibility system is a "temporary measure" for China's agricultural production under the condition of a low level of productive forces. In our opinion, an important reason for all this is that there are still many confused ideas on this issue. Some of them are detrimental to setting the people's minds at rest and to achieving a sustained and steady development in agricultural production. Therefore, it is necessary to clarify these confused ideas.

#### **Contract Responsibility on Household Basis With Remuneration Linked to Output Should Not Be Confused With "Sharing Out the Land and Returning to Individual Farming" and "Small-Scale Peasant Economy"**

Some rural cadres have a misunderstanding of the system of contracted responsibilities on the household basis with payment linked to output, getting it mixed up with the practice of "sharing out the land and returning to individual farming" and regarding it as a "small producers' individual economy." Some have even mixed it with "privatization." When development of the collective economy and the socialist road are stressed, they vacillate in implementing this system. Some peasants also interpret land contracting as "returning the land to every household." Thus, "everyone will till his own land" and "be divorced from the collective." When they hear that the collective economy will be strengthened, they are afraid that the land will be "taken back by the collective" and that their responsibility land will be withdrawn and they therefore become panic-stricken.

As a matter of fact, as early as 1982, when the system of contracted responsibilities on the household basis with payment linked to output was just adopted, Central Document No. 1 had already pointed out: "The various

responsibility systems adopted at present, including the system of compensation according to fixed work and fixed quotas, the system of professional contracts with remuneration linked to output, and the system of linking remuneration with output for each laborer, and fixing output quotas for each household or production group, are all production responsibility systems of the socialist collective economy." In the central document entitled "On Certain Questions Concerning Current Rural Economic Policies," issued in April 1983, it was once again emphasized: "The contract system on a household basis is an operation in the cooperative economy and a new type of household economy. It is different in essence from the small private owners' individual economy of the past and should not be confused with the latter."

Why do we say the contract responsibility system is different in essence from "sharing out the land and returning to individual farming" and the "small-scale peasant economy"? We have mainly two reasons: First, the contract responsibility system has only changed the old operation and management methods of the socialist agriculture under the people's commune system, such as collective labor, equal distribution, and highly concentrated administrative management, under which the peasants did not have any decision-making power in production. Under this new system, the nature of public ownership of the land—the main productive means—is not changed, and the land is not privately owned by individual peasants. Second, the contract responsibility system is only a scattered operation of socialist collective agriculture. Under this system, production and management are regulated and controlled by the level of the collective and centralized operation, and are carried out under the guidance of the operational mechanism combining the state's planned economy with market regulation. It does not mean "everyone tills his own land" and will "be divorced from the collective." Thus, there does not exist problems such as "the land being taken back by the collective" and a change in policy.

**Contract Responsibility System on a Household Basis With Remuneration Linked to Output Should Not Be Set Against Operations of Scale and the Modernization of Agriculture**

While confusing the contract responsibility system with the "small-scale peasant economy," some people even link this system with "small scale" and "backward productive forms," holding that "the contract responsibility system does not conform to the orientation of operations of scale in the future" and "because the traditional small-scale agricultural productive forms represent backward productive forms which should be transformed, the contract responsibility system cannot be implemented for a long time."

In fact, there are not any natural relations between the system of contracted responsibilities on the household basis and "small-scale" and "backward productive forms." Under the condition of backward agricultural productive forces, it is true that the household operation

represents "small-scale" and "backward productive forms." But under the condition of relatively developed agricultural productive forces, it also has a strong adaptability and motive force in modern agriculture. For example, in some developed Western countries, where there is a high degree of modernization in agricultural production, either in the United States and Canada, which have a vast and sparsely populated land, or in Japan, which has limited land but a large population, the proportion in household farming always makes up more than 80 to 90 percent, and their economic returns are always higher than large farms. This is decided by the characteristics of agricultural production. In China, which has limited cultivated land but a large population, by implementing the system of contracted responsibilities on a household basis, each household can only have 7.65 mu of cultivated land on the average. The scale is really small. This is indeed a disadvantage in promoting agricultural modernization. It is detrimental to using large-scale and highly efficient agricultural machines, making unified planning, carrying out farmland capital construction, using funds in a concentrated way, and adopting advanced technological equipment. However, as long as appropriate measures are adopted, these disadvantageous factors can be changed under certain conditions. Our basic ideas are: 1) In areas where conditions allow, land contracts can be transferred with compensation so that more land can be used by capable peasants to carry out appropriate operations of scale. 2) Unified scale operation by the collective can be carried out by promoting socialized services. 3) We should improve production tools by means of modern science and technology, and produce more and better medium and small agricultural tools for small scale operations, while adopting various modern science and technological measures which can be effectively used by large and small farms to promote production. With these ideas, we believe that the contract responsibility system on a household basis will not obstruct agricultural operations of scale and agricultural modernization, but will exist for a long time as a good form that is suited to and will promote the development of operations of scale and agricultural modernization.

**The Contract Responsibility System on a Household Basis With Remuneration Linked to Output Should Not Be Separated From Strengthening the Collective Economy and Socialized Services**

Apart from the above-mentioned confused ideas, there are also some comrades who have separated the contract responsibility system from strengthening the collective economy and the socialized service system. In their opinion, the contract responsibility system means "individual farming" and "small-scale peasant production." In the future, it will be replaced by collective farming. In essence, this viewpoint only sees the unified collective operation and unified socialized service system as the collective economy. It denies that the contract responsibility system is also a component part of the collective economy.

On this issue, it is necessary to clarify the following points: 1) The unified collective operation and the contract operation on a household basis are two levels of socialist collective agriculture. In the initial stage of implementing the system of contracted responsibility on a household basis, because there were certain misunderstandings of the system, mistakes were made and the trend of sharing out the collective property appeared in some areas. But this could not represent the party's principle on implementing the system of contracted responsibilities on a household basis with payment linked to output and establishing a socialist system combining unified management with separate management through rural reforms. In fact, it ran counter to this principle. 2) In view of the fact that the level of unified collective operation is weak and the unified and socialized services system is imperfect in some areas, it is entirely necessary to emphasize the importance of developing the collective economy and strengthening the socialized services system. However, this does not mean that some new systems will be adopted to replace the system of contracted responsibility on a household basis with payment linked to output. On the contrary, it is aimed at giving further play to the potentialities of this system so that the two operations of collective agriculture can both be perfected and strengthened. 3) Emphasis on strengthening the functions of unified operation in collective agriculture must be placed on strengthening socialized services for the peasants' contract operations on a household basis. "Unified management" without the purpose of serving the peasants will inevitably be divorced from "separate management," and will dampen the peasants' enthusiasm. It will also make it difficult for us to achieve the purpose of strengthening the collective economy. 4) To increase the strength of the collective economy is a gradual progress. It mainly depends on the development of production and the improvement of management as well as self accumulation at the level of collective operation. We should never adopt any other methods to weaken the peasants' contract operation on a household basis, especially the methods of "indiscriminate transfer of land resources" and "having the land taken back by the collective."

The Eighth Plenary Session of the 13th CPC Central Committee pointed out: "The responsibility system, primarily the system of contracted responsibility on a household basis with payment linked to output, and a series of basic policies that our party has implemented in the rural areas are suited to the development of rural productive forces in the current stage. They enjoy the enthusiastic support of the broad masses of people and should be stabilized for a long time and should be continuously perfected." This spirit is a profound expression of objective economic laws. It fully reflects the wishes of the vast number of peasants. We must conscientiously publicize and implement it. Just as was emphasized by Comrade Jiang Zemin during his recent inspection in Guangxi: "We must tell the peasants in definite terms that the responsibility system, mainly the

system of contracted responsibility on a household basis with payment linked to output, will not be changed."

#### Commentary Views Financial Resources Distribution

OW1504135492 Beijing XINHUA Domestic Service  
in Chinese 0328 GMT 15 Apr 92

["Commentary" by XINHUA reporter Ding Jianming (0002 1017 6900): "Separate Meal Preparations, But Do Not Divide the Family; Take the Whole Country Into Account"—XINHUA headline]

[Text] Beijing, 15 April (XINHUA)—The Jiangsu Provincial Government announced on 14 January 1990 that local authorities in the province would earmark 120 million yuan to build a railway linking Xinyi to Huaiyin. Ten years ago, Jiangsu would never have been that willing to spend its own money to finance a project like this.

This is just an example showing the enormous changes brought about by the state's fiscal and budgetary reforms in recent years.

Since the adoption of the reform and opening up policy over 10 years ago, the state, following the principle of "exercising centralized leadership but serving meals prepared from different stoves [fen zao chi fan 0433 3501 0676 7391]," has substantially restructured its budgetary management by setting up township-level treasuries in most parts of the country and by taking a variety of measures—such as "dividing revenues and expenditures between the central and local governments and holding each responsible for balancing their budgets"; "dividing the different kinds of revenues, determining the incomes and expenditures amongst authorities at different levels, and holding them responsible for balancing their budgets"; and "dividing up revenues between the central and local governments and holding each responsible for balancing their budgets." Meanwhile, the state has also drawn up preferential policies for minority areas, special economic zones, and open coastal cities, taking into consideration the special situations of various areas.

Now, after more than a decade, the original centralized system of managing revenues and expenditures has been divided; the original allotment system based on departments has been replaced by an allotment system based on regions. Moreover, the way to divide revenues for central and local expenditures, once it has been determined, will remain unchanged for several years instead of changing every year as was the case in the past. This has stabilized the relationship of distribution between central and local authorities and encouraged governments at all levels to take the initiative in managing their own money.

The current system, however, has certain drawbacks that should not be ignored. The most noticeable one is that of all the revenues that have been generated, the percentage that the central government shares is exceedingly small, so the state's macroscopic regulatory and control capacity has been weakened. Because fiscal contracts

between central and local governments have rigidly set the percentage of additional revenues to be delivered to the state, the state is not entitled for the lion's share of the larger incomes while its financial burdens, subsidies, expenditures for economic construction projects, and debt payments continue to increase every year. Consequently, the central government has had deficits every year and has to repeatedly borrow money from local governments or shift the financial burdens of some central government projects to local governments.

Meanwhile, local governments can enjoy greater benefits because of the current financial structure. To increase revenues, all localities have unscrupulously set up all kinds of industries, especially those short-term projects that require small investment but yield fast results, or projects that generate high income from taxes. Once a business or product has been found to be fashionable and profitable, everybody else will jump on the bandwagon, creating an upsurge. For example, in just a few years, local authorities have imported 113 color television production lines and 170 canned beverage production lines, and the number of automobile assembly plants has increased from a few dozen to more than 2,600. In 1985, there were only four rubber-glove production lines, but the number exceeded 1,000 only five years later, and the total annual production capacity of 8 billion rubber gloves was two and a half times the total needs on the world market. Because of these redundant construction projects, enormous amounts of capital and raw materials have been wasted, and industrial restructuring has also become much more difficult. Above all, to stop the outward flow of their benefits, some localities have more often than not closed their markets, causing highly unfavorable effects on the work to improve the socialist centralized market.

The experiences and lessons gained and learned from reforms during the last several years show that in our sprawling and populous country, the distribution of financial resources between central and local authorities should be handled on the basis of the following principles:

1. The central government must have adequate financial resources and financial authority so that it can exercise effective macroscopic regulation and control. China is a large, unified country. The central government not only is responsible for central departments' administrative expenditures, defense, and diplomatic affairs, but also for investment in energy development, communications, and other infrastructural projects, as well as mainstay enterprises of the national economy. The state also has to support the old revolutionary areas, minority areas, remote areas, and impoverished areas. Moreover, it has to shoulder the burdens of providing relief to areas stricken by devastating natural disasters. Because of the central government's political and economic responsibilities and functions, it is an objective need for the state to have more funds at its disposal.

2. We must make every effort to encourage governments at all levels to take the initiative in developing economic

projects and managing their money in such a way that the use of resources can be maximized and the unified socialist market can be perfected.

Meanwhile, we must acknowledge that all places are different in terms of the development of productive forces and economic growth. Therefore, while we must permit and encourage some areas to become affluent first, we must assist the economically undeveloped areas to become affluent step by step so that eventually there will be common prosperity and coordinated development.

It is noteworthy that while restructuring financial management, we must also underscore the need to standardize the regulation of interests. Although this standardization need not be the same everywhere, we should not allow each and every province to have its own individual way or let them solve their problems through negotiations on a one-to-one basis.

The financial system characterized by revenue sharing is one fairly good way to achieve these principles. This means we must completely smash the existing method of dividing financial resources based on enterprises' affiliations; we should instead divide revenues of central and local authorities based on the types of revenues and consolidate the sources of revenues of central and local authorities. For revenues to be shared, they must be shared on the basis of a percentage plan, and the state should be ensured of having the lion's share of the additional incomes.

The revenue-sharing system is a fairly idealistic way to institutionalize budget management, but this system is not easy to carry out, nor can it be put in place in one step. Its implementation must be coordinated with the restructuring of the entire economic system. The revenue-sharing system has been accepted by various social quarters as a way of reform. Thus, the present key issue is one of creating the necessary conditions and accelerating the pace of reform so that this measure of reform can be carried out in all parts of the country as quickly as possible.

#### National Meeting Sees Free Market Increase

OW1604031592 Beijing XINHUA in English  
0252 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—By the end of 1991 China had a total of 74,675 free markets, a 7.8 percent increase over the figure for 1990, according to a recent national meeting on free market management held in Hangzhou, capital of east China's Zhejiang Province.

Free markets mainly sell agricultural products and small articles of daily use. Last year there were 164 such markets with a business volume of over 100 million yuan (about 20 million U.S. dollars) each.

In 1991 China spent 2.815 billion yuan constructing such markets, a 95.3 percent increase on 1990's figure.

The biggest investors were Shandong and Guangdong Provinces, respectively investing 500 million yuan and 700 million yuan.

Now not only individual businessmen but also some state-owned and joint-venture firms are doing business in the markets by renting stalls to promote sales of their products.

### Minority Areas Urged To Speed Up Reform

HK1604051692 Beijing CHINA DAILY in English  
16 Apr 92 p 4

[Report: "State Says Ethnic Area Must Speed Up Reforms"]

[Text] The areas inhabited by minority nationalities are called on to emancipate their minds, change their old mentality and accelerate reforms in agriculture, industry, the market and government organizations.

He Guanghui, vice-minister of the State Commission for Restructuring the Economic System, wrote in People's Daily [RENMIN RIBAO] that this approach is the key for them to catch up with economically developed areas.

It is also an important factor in maintaining political stability, he said.

At present, China's poorest areas are mainly countryside and pastoral areas inhabited by minority nationalities.

These areas should first quicken their steps in rural reform because agriculture is the most fundamental basis for their economic development, social stability and improvement of living standards.

Rural reform in these areas must follow the lines set out by the government but be practical and realistic and in line with local conditions, He said.

It should not go against the will of the local people, or copy the experience of other areas regardless of the objective conditions in these areas.

The current rural reform in these areas should aim at:

First, improving the household contract responsibility system and applying it in line with local conditions;

Second, establishing a social service system for agriculture;

Third, promoting the circulation of farm, animal husbandry and sideline products, and developing a market economy;

Fourth, making full use of local resources and developing township enterprises;

Fifth, depending on science, technology and education for agricultural development;

Sixth, strengthening the party's grassroots organizations.

In addition to rural reform, the areas inhabited by minority nationalities are also required to deepen reform in industry in order to increase their economic strength, He Guanghui said.

They must cultivate a sense of the market, and push their enterprises to the market front.

These enterprises should strengthen internal management, improve the quality of their staff and tap their potential, raising economic efficiency to a new level. They are also urged to speed up technological transformation because backward technology and equipment is their biggest weakness.

The areas inhabited by minority nationalities should co-operate with other parts of the country, especially those developed enterprises in coastal areas, to open up the market at home and abroad.

Enterprises within the areas should also enhance ties among themselves and set up group enterprises and economic co-operatives to improve their strength and production.

He Guanghui said reform in the market is imperative because in some areas inhabited by the minority nationalities regional blockades and protectionism have seriously hindered exchanges between town and country and dampened economic development.

While amplifying the traditional fair trade, these areas should open various channels for commodity circulation, develop a diversified economy and bolster economic exchanges with other areas, He said.

They should improve the operating style of and invigorate State-owned and collective commercial firms, making these firms a mainstay in the market, He said.

These areas can also increase frontier trade with neighbouring countries.

On reform in government organization, He Guanghui suggested that in the areas inhabited by minority nationalities, administrative structures be streamlined and government's role in economic administration changed.

Government administration should change from direct to indirect. Various social service systems should be set up to serve production and the people's living standards, freeing the government and enterprises from heavy social burdens.

Surplus personnel produced by structure streamlining can be transferred to the grassroots to run economic entities and work in the production, the market and service areas.

The country adopts favourable policies for economic development in areas inhabited by minority nationalities. But State support is limited. These areas should take

full advantage of these favourable conditions and increase their internal vitality for self-development and self-prosperity, He said.

These areas should accelerate their self-reform and turn their superiority in natural resources to economic superiority. Only in this way can they achieve economic development and make the people better-off, He said.

#### **Li Xiannian Encourages 3 Gorges Project Efforts**

HK1504124892 Beijing XINHUA Hong Kong Service  
in Chinese 1413 GMT 5 Apr 92

[Text] Wuhan, 5 Apr (XINHUA)—Days ago, Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference, asked Qi Lin, director of the Hubei Provincial Planning Commission and provincial deputy to the Fifth Session of the Seventh National People's Congress, to inform the Hubei Provincial CPC Committee and government that they should do a good job on the Three Gorges project on the Chang Jiang.

Hubei Province should fully use the opportunity of building the Three Gorges project to invigorate its economy by doing good preparatory work and providing good service, Li Xiannian said.

Qi Lin reported to Li Xiannian on work arrangements and work focus made in connection with the Three Gorges project by the Hubei Provincial Planning Commission and Preparatory Work Group for the Three Gorges project.

According to news revealed here, the State Council has approved Hubei's merging Yichang Prefecture into Yichang City to implement the city leading-county system, which will facilitate the smooth carrying out of the Three Gorges project.

#### **Foreign Exchange Retention System To 'Disappear'**

HK1604040092 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 14, 13 Apr 92

["China economic news" article: "Foreign Exchange Retention System to Be Abolished"]

[Text] In 1991, China began to abolish export subsidies and allow foreign-trade enterprises to take sole responsibility for gains and losses. In order to enable foreign trade to operate mainly according to the laws of the market, China is changing the mechanism for setting foreign exchange rates and is expanding the role of the regulatory foreign exchange market. At the same time, the proportion of foreign exchange that foreign trade enterprises can retain is being increased to enable them to use market mechanisms more and take sole responsibility for gains and losses. At present, the state's foreign exchange rate is still irrational and foreign trade enterprises must submit a certain proportion of foreign exchange to the state based on the official exchange rate, and this has increased their burden. Along with the

continuous deepening of economic restructuring in China, pricing mechanisms will be gradually straightened out, foreign exchange rates will become rational, and then, the foreign exchange retention system will disappear voluntarily and foreign trade will operate in complete accordance to international trade standards.

#### **Nation To Abolish Import, Export Licenses**

HK1604074692 Hong Kong CHING CHI JIH PAO  
in Chinese 10 Apr 92 p 3

[By Wang Jian (3769 0494): "China To Abolish Import and Export Licenses for Second and Third Categories of Goods"]

[Text] China will completely abolish import and export licenses for second and third-category goods in the near future, and has already abolished 122 internal documents from the Ministry of Foreign Economic Relations and Trade, as well as the relevant regulations. This will have a great impact on China's foreign trade.

According to reliable sources, China has decided to abolish import and export licenses for second and third-category goods in the near future, that is, licenses for these goods issued by commissioners of the Ministry of Foreign Economic Relations and Trade stationed in various provinces and cities and by economic and trade bureaus and offices in various provinces and cities.

This means that China will thoroughly lift restrictions on the import and export of goods in these two categories, however, the import and export of goods in the first category, which is directly managed by the Ministry of Foreign Economic Relations and Trade, still requires licensing.

The purpose of such a decision is because China wants its foreign trade system to conform more with GATT regulations, that is, abolish nontariff trade barriers.

According to information, there are 121 kinds of exports belonging to the second category, including meat, textile, nonferrous metals, steel, Chinese medicines, minerals, and chemical industrial products, and there are 84 kinds of exports falling into the third category, including local and special products, minerals, and industrial chemical products. Exports in the first category which still require licenses include grain, cotton, and steel, a total of 29.

In addition, China's Ministry of Foreign Economic Relations and Trade also announced the abolition of 122 internal management forms which include quotas for exports to Hong Kong and Macao, management of foreign exchange earned from exports, and relevant regulations on importing cotton, grain, chemical fertilizer, steels, timber, and automobiles.

Most of these regulations were announced around 1988 when China began to practice an economic austerity

policy aimed at strengthening control over imports and preventing a decrease in foreign exchange in view of the economic austerity.

China's foreign trade departments generally welcome the abolition of licenses for second and third-category goods and the 122 internal documents and relevant regulations. They believe that this measure will allow China's foreign trade system to be more flexible and will increase trade opportunities. However, some franchised foreign-trade companies will have to compete with other companies.

#### **Trade Ministry Abolishes Tax, Tariffs on Imports**

HK1604051392 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 14, 13 Apr 92 p 23

["China economic news" article: "Ministry of Foreign Economic Relations and Trade Adopts Measures to Balance Imports, Exports"]

[Text] On 1 April, the Ministry of Foreign Economic Relations and Trade abolished the import regulatory tax and lowered tariffs for 225 kinds of imported goods; in addition, it adopted measures to expedite imports and balance import trade. The main measures are:

- 1) begin reform of the import management system;
- 2) lower domestic interest rates, increase lending for technological transformation, and stimulate the need for imports at home;
- 3) allocate several billion U.S. dollars from the state's foreign exchange balance to import large equipment sets;
- 4) in the near future, abolish import permits for 16 commodities, and over the next two to three years, removing two-thirds of commodities from import permits management;
- 5) continue to send buying teams to the United States and European countries to buy goods.

#### **Circular Calls for Improved Grains, Oil Storage**

OW1504224592 Beijing XINHUA Domestic Service  
in Chinese 0554 GMT 15 Apr 92

[Text] Beijing, 15 April (XINHUA)—The State Council recently issued an urgent circular on improving the storage of grain and edible oil for this year.

The circular says: This year, China stored more grain and edible oil than last year. Grain preserved in open-air warehouses exceed 50 billion kg, 5 billion kg more than last year. The percentage of high and excessive moisture grains have increased. Although the state special reserve grains have begun a rotational period, large amounts of stale grain still need to be disposed of in various localities. Because this spring is comparatively warmer and humid, pests and mold have appeared earlier and propagated faster. In some southern locales, the flood season has arrived earlier than usual. Hence we are confronted with a more difficult task in preserving grain and edible

oil this year. In order to ensure safe storage of grain and edible oil in state reserves during the summer and the flood season, the following urgent circular is hereby issued:

1. It is necessary to further strengthen leadership over the preservation of grain and edible oil in state reserves. All provincial, autonomous regional, and municipal people's governments should map out overall arrangements for this preservation as soon as possible. They should also adopt effective measures to solve outstanding problems in key areas and implement such measures before the arrival of the hot and the flood seasons. After the arrival of the hot and flood seasons, it is necessary to step up supervision and inspection in order to identify and solve problems promptly. It is also necessary to work out contingency plans to deal with possible emergencies and make ample preparations in terms of manpower, materials, and transportation.

2. Grain departments should focus their work on preservation of grain and edible oil during the summer and the flood season. They should organize and dispatch personnel to investigate grain depots and stations to ensure that all measures are implemented. Efforts should be stepped up to dry high moisture grains, seeing to it that the work is completed before the arrival of the hot season. Localities having large amounts of excessively moist grain should work out emergency plans. Grain soaked last year by floodwaters should be processed immediately. Overall arrangements should be made for reserve grain, which should be rotated, and stale grain, which should be processed, in coordination with the processing, marketing, and storage of new grains. Energy and materials departments should work positively to ensure the supply of fuel, electricity, and materials urgently needed for drying and processing high moisture grain. Railways and transport departments should promptly arrange facilities for transporting flood-damaged grain and high moisture grain.

3. Vigorous efforts must be made to allocate and transport grain. In coordination with the effort to market and allocate grain, flood-prone areas should work out early arrangements for processing and removing grain damaged by flooding. Areas receiving grain allocations should proceed from the overall interests in striving to overcome difficulties, ensure the fulfillment of allocation plans, and accommodate as much grain as possible so as to alleviate pressure on major grain producing areas.

4. It is necessary to persist in and improve the responsibility system in grain preservation. Departments concerned should take their own share of responsibilities and introduce a responsibility system at each level within their own departments. Principal leaders of each department and at each level shall be held responsible for whatever problems crop up at their levels and in their departments. Grain departments should further establish and improve as well as strictly enforce various grain safety inspection and report systems. Public security departments at all levels should help grain departments

draw up and implement measures for good storage and prevention of fire and larceny and should crack down on crimes that jeopardize the safety of state grain and edible oil warehouses according to the law.

5. It is necessary to vigorously popularize scientific techniques of grain preservation, in a bid to delay the staling of grains, raise economic benefit, and cut expenses. The "four immune grain depots" campaign should be continued and deepened. It is necessary to accelerate the popularization of new techniques in grain preservation like mechanized ventilation and electronic tests, which have proven effective. At present, new materials and techniques for open-air storage, including plastic leather with PVC [polyvinyl chloride] coating, reinforced grain silos, glass steel sheds, and clay dike barns, should be gradually introduced to replace straw pits and bins according to the actual condition of each locality.

**Tian Jiyun on Deng Remarks, Foreign Trade Reform**

OW1604024092 Beijing XINHUA Domestic Service  
in Chinese 1448 GMT 15 Apr 92

[By reporter Shi Meishi (0670 5019 3128): "Tian Jiyun Encourages Foreign Trade Personnel To Emancipate Their Minds, Work Hard, and Explore New Situations in Foreign Trade"]

[Text] Guangzhou, 15 April (XINHUA)—Speaking at the opening of the 71st Guangzhou Trade Fair here today, Tian Jiyun, vice premier of the State Council, encouraged foreign trade workers to conscientiously study the spirit of Comrade Deng Xiaoping's statements made during his south China inspection tours, emancipate their minds, grasp opportunities, accept challenges, work hard, expedite reform and opening up, and explore new situations in foreign trade.

Vice Premier Tian Jiyun toured the fair after attending the opening ceremony this morning. In the afternoon, he met some of the fair workers and Guangdong's leading cadres, and he delivered an important speech.

On behalf of the State Council, Vice Premier Tian Jiyun first warmly congratulated the hosts of the 71st Guangzhou Trade Fair, wishing it every success and brisk business. Tian Jiyun pointed out: Comrade Deng Xiaoping issued a series of statements on crucial questions at a crucial time. His statements were guiding documents [gan ling xing wen jian 4854 7325 1840 2429 0115] designed to accelerate the pace of reform and opening, as well as the pace of socialist economic construction. Personnel concerned with foreign trade should seriously study, deeply understand, and continue the firm implementation of the party's basic line of "one center and two basic points" initiated by Comrade Deng Xiaoping. They should also eliminate all interference, especially "leftist" ideological trammels, and accelerate the pace of reform and opening to the outside world.

Tian Jiyun said: It is necessary to grasp the current favorable opportunities to achieve better results in nation-building and economic construction. In order to develop foreign economic relations and trade, we should be more daring in utilizing foreign funds whenever and wherever possible. There is great potential to further improve import and export trade. China already has moved forward in diversifying its export market and more efforts are needed to accelerate its future advancement. We should further enhance both the quality and credibility of export commodities and continue to perfect various policies designed to support the development of foreign trade. Special efforts should be made to deepen the restructuring of foreign trade.

He said: The restructuring of foreign trade, which was successfully carried out in 1988 and 1991 with improved results reported one after another, has injected vitality and life to the development of foreign trade. However, to achieve greater development in foreign trade, we should explore new situations and continue to deepen reform. Goals of future reform should involve the following: first, the principle of separating government and enterprises; second, the principle of separating operating rights and ownership; third, the principle of integrating trade with industry, agriculture, commerce, and technology; and fourth, the principle of gradually steering GATT in a direction where the demands of developing countries will be met.

**Tian Jiyun, Qian Qichen Visit Industrial Exhibit**

OW1604015892 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 14 Apr 92

[From the "National News Hookup" program]

[Text] An exhibition of achievements made by China's small and medium-sized enterprises opened in Beijing this morning. Vice Premier Tian Jiyun and State Councillor and Foreign Minister Qian Qichen attended the opening ceremony. [Video opens with a pan of the opening ceremony, with Tian Jiyun, Qian Qichen, and other officials standing in front of the exhibition center, followed by medium shots of Tian Jiyun cutting the ribbon and Tian and Qian viewing the exhibits]

Since the beginning of China's reform and opening to the outside world in 1979, small and medium-sized enterprises in the country have developed rapidly, particularly small companies manufacturing textiles, garments, shoes, home electrical appliances, elementary machinery products, auto parts, electronics parts, rubber products, packaging materials, and food and soft drinks. According to 1991 statistics, there were 403,000 small and medium-sized industrial enterprises at and above the township level, accounting for 98.8 percent of the total number of industrial enterprises in the country.

During the more than 10 years of reform and opening to the outside world, village and township enterprises, the mainstay of small and medium-sized enterprises, have

risen at an annual rate of 26 percent. China's small and medium-sized enterprises also made good progress in using foreign capitals.

#### **Tax Breaks Granted to Electronics Industry**

*OW1604095392 Beijing XINHUA in English  
0912 GMT 16 Apr 92*

[Text] Beijing, April 16 (XINHUA)—The Chinese Central Government recently decided to institute a series of preferential policies during 1992 which are favorable to the country's electronics industry.

The policies stipulate that key projects with capital construction investment of at least 30 million yuan and technical renovation investment of at least 10 million yuan, involving integrated circuits, computers and computer software, and program-controlled switchboards, as well as related research programs, will be exempt from product taxes and income tax will be reduced by 50 percent.

In addition, departments and units responsible for technical transformation programs listed by state ministries, provinces, autonomous regions, municipalities under the direct administration of the central government, and cities with provincial status, will be free from taxation.

The new policies also stipulate that tariffs and consolidated business tax on the import of low-priced foreign advanced technology, as well as on bulk items and key parts for localized production will be reduced by 30 percent. In addition, low tariffs rates will apply to parts for products which are manufactured at least 40 percent locally.

Import taxes will also be removed on imports of auxiliary parts and devices for products developed with loans from the World Bank and the Asian Development Bank by Chinese winners in international biddings.

Prototypes and key components for domestic production will enjoy a reduction in or be exempted from import taxes and product taxes.

## East Region

### Shandong Views Discipline Inspection Work

SK1604030792 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 11 Apr 92

[Text] The province's forum on discussing the work of investigating and handling major and serious cases concluded in Jinan City on the afternoon of 11 April.

It was pointed out at the forum that organs in charge of the discipline inspection work should further emancipate their minds, protect the right ways and oppose evil ones, and perform their duties impartially and selflessly. In line with the center of promoting the programs of reform and opening-up as well as economic construction, they should concentrate on investigating and handling cases and resolutely and forcefully punish the corrupt.

It was contended at the forum that over the past few years, the discipline inspection commissions at all levels had concentrated their efforts on handling cases in line with the guiding ideology put forward by the provincial Discipline Inspection Commission with regard to emphatically investigating and handling cases of violating the discipline and implementing in an overall way the four functions and had cracked down on a large number of serious, appalling, and typical cases. In 1991 the discipline inspection commissions of 16 cities and prefectures and the four large enterprises throughout the province handled 326 cases; 205 cases were handled by the party and government leading personnel at the city-prefecture level, who had taken personal charge of these cases; 238 typical cases were made public. The investigation and handling of these major or serious cases fully demonstrate the party's determination to punish the corrupt and are favorable for the discipline inspection organs and the contingent of personnel in charge of handling cases to obtain training and not only to enhance their revolutionary spirit of boldly dealing with knotty difficulties and handling cases but also to upgrade the level of handling cases.

It was pointed out at the forum that at present, we should emphatically investigate and handle the typical cases that have cropped up in a trend or a symptom of a trend, economic cases involving large amounts of money, serious cases committed by party members or leading personnel violating discipline, and serious and appalling cases committed by criminal rings.

In concluding the forum, Tan Fude, member of the provincial party Standing Committee and secretary of the provincial Discipline Inspection Commission, delivered a speech in which he put forward several opinions on the issues of how to deeply study the spirit of the important talks of Comrade Deng Xiaoping, how to further do a good job in conducting the discipline inspection work, and how to render better services for the party's basic line and economic construction. He stated in his speech that in currently studying and

mastering the important talks of Comrade Deng Xiaoping, the discipline inspection organs should further emancipate their minds and successfully grasp the following several points: 1) Efforts should be made to foster the concept of the whole situation, to understand his talks in an overall way, to correctly master them, and to always uphold the guiding ideology of serving the party's basic line and economic construction. 2) Efforts should be made to uphold the application of practice as a sole objective criterion in testing the wrong and right. 3) Efforts should be made to deeply master the principle of grasping economic construction and the ideological and political work and to develop the economy and oppose corruption unswervingly. He urged the discipline inspection organs at all levels to heighten their spirit, to bravely engage in exploration, to boldly create something new, to enhance their sense of responsibility and emergency, and to carry out their work in a creative way. Party committees at all levels should enhance their leadership and guidance over the discipline inspection work and discipline inspection commissions at all levels should further change their work style, vigorously guard against formalism, actively carry out their work, and truly become important forces for ensuring the party's purity and promoting the programs of reform and opening-up as well as economic development.

### Shandong Government Sets Up Information Office

SK1604005492 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 13 Apr 92

[Text] With the decision made by the provincial people's government and the approval of the State Committee for the Establishment of Governmental Organizations, the information office of the provincial people's government has been formally established and put into operation on 13 April. The establishment of this office is aimed at organizing, promoting, and coordinating the work undertaken by the provincial level departments concerned and various cities and prefectures with regard to successfully informing the outside of the province's situation, enabling the world to better understand the province, and having the province better understand the world so as to make it convenient for the province to enhance its exchanges and cooperation with various countries in the world in the fields of economy, science and technology, and culture and to enable foreigners to see the true picture of Shandong Province.

The provincial people's government also held a press briefing that day to mark the establishment of this office. Attending and addressing the press briefing were Dong Fengji, member of the provincial party Standing Committee and director of the provincial propaganda department, and Wang Yuyan, vice governor of the province.

Dong Fengji stated in his speech that the information office established by the provincial people's government and the beginning of its official activities represent an important measure for our province to enlarge its export-oriented economy and to conduct external propaganda

on the programs of reform and opening-up as well as an event that we have long expected. Localities throughout the country recently studied and implemented the important remarks of Comrade Xiaoping during his inspection tours in the south. In conducting the economic work with foreign countries, we should follow the spirit of Comrade Xiaoping's talks, actively plunge into the mighty torrent of conducting reform and opening to the outside world, emancipate our minds, readjust our ideas, and conduct our work in a creative way. By applying the modern mass media, we should place our work emphasis on introducing the open economic zones on Shandong Peninsula and six new, high technology industrial development zones, reveal the typical experiences gained in the three-capital enterprises in the province, extend the antenna of external propaganda to the countries and regions that have cooperated with our province in the economy and trade, and should create an environment of favorable world opinion for the province's opening-up work.

#### **Zhejiang's Li Zemin Lauds Deng's Expositions**

*OW1504153592 Hangzhou ZHEJIANG RIBAO  
in Chinese 26 Mar 92 p 1*

["At a Meeting of Provincial CPC Committee Secretaries at Municipal and Prefectural Levels, Li Zemin Stressed the Need to Earnestly Study Deng Xiaoping's Expositions and Guidelines of the Plenum of Central Political Bureau"]

[Text] The CPC provincial party committee held a meeting of party committee secretaries at municipal and prefectural levels in Zhejiang Province in Hangzhou from 23 to 24 March. The meeting earnestly studied a series of important expositions by Comrade Deng Xiaoping concerning the building of socialism with Chinese characteristics, as well as the guidelines laid down at the plenary session of the CPC Central Political Bureau and linked them with reality. It discussed matters relating to accelerating reform and opening to the outside world, as well as ideas and measures for speeding up economic development in our province. Li Zemin, secretary of the provincial party committee, spoke at the meeting.

Li Zemin said: It is necessary to comprehensively and correctly understand the essence of the series of important expositions by Comrade Deng Xiaoping regarding building socialism with Chinese characteristics. These important expositions of Comrade Deng Xiaoping have profoundly summed up the rich experiences in reform and opening to the outside world in the past 10-odd years. They have scientifically analyzed the current international situation and given timely answers to many theoretical and practical questions which the broad masses of cadres and people are concerned about. They have enriched and developed the party's basic line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee. They are of great

significance not only to the current reform and construction, but also to the entire socialist modernization drive, as well as to consolidating and developing the socialist cause with Chinese characteristics. We must study them over and over again to fully, comprehensively, and accurately understand and firmly grasp the essence of the ideas contained within them.

First, it is necessary to unswervingly and comprehensively implement the party's basic line of "one center and two basic points." Experience in reform and opening to the outside world over the past 10 years has shown that the party's basic line is in keeping with the national conditions and the people's will; and it is the only correct line for making the country strong and the people rich and for building socialism with Chinese characteristics. The party's basic line of "one center and two basic points" is an organic link, an interdependent and interwoven entity in which every single component is indispensable, and it cannot be interpreted one-sidedly. Also, the "one center" and the "two basic points" can never be considered separately, nor can they be set against one another. As long as we uphold this line, our cause will develop soundly. Once we deviate from this line we will go astray to the "left" or to the "right" and our cause will be thwarted. Therefore, we must never change this line, even for 100 years. We must, at all times and under all circumstances, unwaveringly implement this line in an all-round way, and we must consciously safeguard this line and maintain its continuity and stability, never wavering or deviating for a moment or by an iota.

Second, it is necessary to firmly grasp economic construction as the center and seize every opportunity to accelerate economic development. The essential quality of socialism is to liberate and develop the productive forces, as well as to exterminate exploitation and eliminate polarization to ultimately achieve common prosperity. To have a firm grasp of economic construction as the center and never let go, we must seize every favorable opportunity and concentrate our efforts on speeding up economic development. Stability and harmony are relative. The only hard truth lies in development. Currently, with the presence of favorable domestic conditions and international environment, coupled with giving full play to the advantageous position of socialism which makes it possible for us to concentrate our efforts in dealing with major issues, it is imperative and possible for us to bring our economic development to new phases marked with greater speed and better efficiency during the long course of modernization in the years ahead. If we fail to follow up on the present opportunities, speed development, and aggrandize ourselves to unceasingly consolidate our comprehensive national strength, it will not be possible for us to crush the conspiracy of peaceful evolution harbored by hostile forces once and for all. Also, we will not be able to attain a greater right of speech and a more favorable position in international affairs, nor can we score a final victory in the rivalry and test of strength between the capitalist and socialist systems. Being located in the coastal region, and as a relatively well-developed province in the country, we are in a position

to develop at a faster pace than the national average, and indeed we should do this to contribute to enhancing our country's comprehensive strength. In order to develop a little faster, we must rely on science and technology and education, and we must implement an economic development strategy that will lay a foundation for raising the overall quality of our national economy, improve our standards and economic efficiency, and reverse our economic development from an extensive type to an intensive type. Third, it is necessary to emancipate the mind, dare to blaze new trails and promote reform and opening to the outside world. We must not only develop productive forces under the condition of socialism but also liberate them through reform and opening to the outside world. Reform is a motive force promoting the development of socialist productive forces. The key to carrying out reform and opening to the outside world, in a bolder way and at an accelerated pace, is emancipation of the mind. The most essential requirement for emancipation of the mind is to seek truth from facts, proceed from reality in everything we do, dare to break away from "book worship" and old concepts and ideas which obstruct the development of socialist productive forces, bind our hands and feet, and affect our advance. At present, we must be bold in overcoming the "leftist" ideas and concepts, absorbing and learning from the advanced management forms and methods of other countries in the contemporary world, including the developed countries in the West, which reflect the law of socialized production. Rejecting them as capitalist and believing that reform and opening to the outside world will introduce and develop capitalism will only confine our minds; fetter our hands and feet; deprive us of a good opportunity; and ultimately ruin our socialist modernization. To judge whether a move is "socialist" or "capitalist" will depend mainly on whether it will benefit the development of the productive forces under socialism; enhances the comprehensive national strength of our socialist country and promotes the standard of living of the people. While keeping vigilance against deviation to the right, most of our attention should be focused on guarding against "left" deviation. Fourth, it is necessary to uphold the policy of promoting both material and spiritual civilization and to achieve progress in both fields. Upholding this policy is an important part of our endeavor to build socialism with Chinese characteristics and is essential to all-round implementation of the party's basic line. In the course of accelerating reform, opening to the outside world and speeding up economic construction, we must always uphold this policy and take vigorous steps to strengthen the building of the party; the socialist spiritual civilization; socialist democracy and the legal system; we must strengthen proletarian dictatorship [wu chan jie ji zhuan zheng 2477 3934 7132 4787 1413 2398], including eliminating all destabilizing factors; we must cherish the hard-earned political stability and unity; and we must create a fine political and social environment to ensure the sound development of reform and opening to the outside world and economic construction. Fifth, it is

necessary to bring up successors to the cause of proletarian revolution to ensure the country's long-term peace and stability. A correct political line requires a correct organizational line to guarantee its implementation. We must promote to the leading bodies people who uphold the line of reform and opening to the outside world and who have performed well politically, in accordance with the principle of making cadres more revolutionary, younger, more educated, and more professionally competent and the principle of promoting people with both ability and political integrity. We must be bolder in emancipating the mind and in vision. We must resolutely overcome the idea of giving priority, when promoting, only to people with seniority and the idea of demanding perfection. We must boldly select and employ younger cadres and form a contingent of reliable cadres who will continue to serve beyond this century to ensure that we have successors to the cause of socialist modernization.

Li Zemin pointed out: Studying and implementing Comrade Deng Xiaoping's important expositions and the guidelines of the Political Bureau of the CPC Central Committee requires us to keep in close touch with the reality of ideology and work; to seriously summarize experience; to find out where we lag behind; and to take further steps to enhance our sense of responsibility and urgency in accelerating reform, opening to the outside world and speeding up economic construction. It should be affirmed that, guided by the line, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee and through the joint efforts of the people in all parts of the province, Zhejiang has scored tremendous achievement in reform, opening to the outside world, and economic and social development. However, given the demands put forward by Comrade Deng Xiaoping and the Party Central Committee and compared with those provinces and municipalities which made bigger strides in reform and opening to the outside world, we still have many problems and quite a large gap in our ideas and concepts, state of mind, and work style. The most primary gap is in ideology. The extent to which we emancipate the mind will decide the depth of reform and breadth of opening. We should realistically summarize our work; face reality squarely; clearly recognize the situation; greatly emancipate the mind; bring about a major change in concept; pluck up our spirits; seize the opportunity; work hard; and push our province's reform, opening, and economic development to a new stage. Li Zemin said emphatically: It is currently necessary to further emancipate our mind, broaden our way of thinking, and accelerate the pace of reform and opening up. We should proceed from the actual situation in our province, seize the opportune moment brought by the opening up and development of Shanghai's Pudong, and fully utilize the superiority of being near the sea and the Chang Jiang delta. While implementing our province's strategies for economic development and emphasizing efforts to implement our planned measures for reform and opening up, we should also actively exploit new measures, ways, and means to

further accelerate reform and opening up; further deepen our strategic thinking and policy propositions on reform and development for a certain period in the future; propose new ways of thinking and new measures; and seize the given opportunity to accelerate the pace of reform and opening up. (1) It is essential to expand the scope, increase the degree, and accelerate the pace of opening up. We should vie for State Council approval to designate 18 cities, counties, and districts in our province, including Wenling, as economic development zones that open up to the outside world. Opened economic zones should further open up while other zones should proceed from actual situations, focus on opening up and developing, and gradually create a great opened structure that is composed of many layers, that has diverse shapes and forms, and that is pluralistic in nature. We should continue to stress efforts to construct development zones at Ningbo port; industrial zones at Beilun; economy and technology development zones at Longwan, Wenzhou; and new- and high-technology industrial development zones in Hangzhou. At the same time, we should also strive to obtain as soon as possible permission from the State Council to construct an investment zone at Qiantang Jiang, Hangzhou, and a tourist development zone around the rivers of Xihu. We should systematically build comprehensive agricultural development zones that are similar to industrial development zones and vigorously develop agricultural sectors that reap foreign exchange. When possible, localities should capitalize on their assets, enhance their superiorities while avoiding their weaknesses, introduce city building, carry out unified planning, actively inject foreign investment and investment from Taiwan, set up "three types of partly or wholly foreign-owned" enterprises, implement projects to encourage development, and accelerate the pace of opening up. It is essential to expand the use of foreign investment, make a list of key enterprises and projects we should construct, arrange large-scale campaigns to attract businessmen, and merge or upgrade existing enterprises. It is also essential to carry out projects to construct "three types of partly or wholly foreign-owned" enterprises; in particular, we should strive to finalize deals on projects concerning large-scale infrastructure, energy, and raw and semifinished materials. More of our enterprises should find foreign markets for their products. We should build a group of production bases for export commodities and relevant enterprises that combine trade with either industry, agriculture, or technology. We should also set up "three types of partly or wholly foreign-owned" agricultural enterprises specializing in brand-name or premier products. It is necessary to encourage localities and enterprises to adopt various methods to run their export operations and make plans to build enterprises outside the province in a vigorous but sure and steady way. We should also actively promote inter-provincial border trading. (2) It is essential to daringly exploit new methods to transform the operating mechanism of enterprises and encourage enterprises to tap new markets. We should expand our pioneering efforts to introduce shareholding systems in state-run industries and enterprises

and carry out various types of experiments on the contracted enterprise responsibility system, including such trial efforts as overall contracted responsibility on the input and output of large- and medium-sized state-owned enterprises and contracted responsibility on liquidity of village and town enterprise assets. We should attempt to surmount difficulties we face in merging enterprises. Some state-run large- and medium-sized enterprises should be selected to imitate on a trial basis operation and management methods used in "three types of partly or wholly foreign-owned" enterprises, and some small-scaled enterprises should also be chosen on a trial basis to implement the bankruptcy method according to the "Enterprise Law." (3) It is necessary to improve our control over investment and open up more financial and investment channels. We should come up with some projects, such as the development of whole stretches of land, to attract businessmen from outside and collect funds internally. Our province should vigorously try to obtain central approval to issue stocks and develop finance and investment bodies. It is necessary to expand our leasing business, relax our policies, and encourage enterprises to make use of leasing or other methods to upgrade their facilities. (4) It is essential to alter our functions, streamline our administration, and improve work efficiency. Our province should seriously review some of the policies, measures, rules, and methods it adopts during the period we improve the economic environment and rectify the economic order, and resolutely amend those that do not fulfill our demand to step up reform and opening up. We should further simplify administrative procedures; suitably transfer to a lower level the authority to examine and approve projects involving capital construction, technological upgrading, and foreign investment; simplify procedures to obtain permission for foreign businessmen to invest in projects and for local enterprise and business personnel to conduct trips abroad; and simplify the procedures to obtain permission to use land and control price. Government departments should further alter their functions, gradually draw the distinction between government and enterprise, and switch from direct control to indirect control. Some departments can even gradually turn themselves into economic entities. Li Zemin said: We should seize the current opportune moment to accelerate the pace of reform, opening up, and economic development. Principal party and government leaders at all levels should personally attend to the work of reform and opening up. Leading units and leading cadres at all levels must give their fullest concentration in this regard, change their work style, and strive hard to do practical work. It is necessary to closely incorporate central guidelines into actual situations in our localities, focus sharply on areas undergoing "incorporation," and effectively carry out such "incorporations." There will be many new situations and problems awaiting our investigation and solution when we accelerate reform and opening up. There also will be fresh experiences for us to sum up and popularize. Leading cadres at all levels must infuse more energy into their work, go down to the grass-roots level, investigate, study,

draw experience from selected units to promote overall work, give guidance accordingly, carry out work full of original ideas, bring forth new ideas, be productive, and more effectively implement central guidelines. We should study and understand policies and should flexibly and effectively utilize them. To a certain extent, it can be said that a policy laying idle is the greatest waste. Leaders at all levels must earnestly study, examine, and understand policies. They must increase their ability to utilize policies and promote reform, opening up, and economic development. Formalism should be strictly avoided. Instead, we should talk less, work more, and save our vital energy to focus on practical work. Although our emphasis is on solid work, we should also make plans, supervise, and conduct checks. We should not just adopt a "wait-and-see" attitude and "procrastinate." We should be adept at concentrating our main force in, giving due emphasis to, and unflaggingly tackling our work. We should start with province-level units and leading cadres at all levels. We should hold ourselves fully responsible for the party's causes and the people's interests and work with such spirit in a down-to-earth manner. We should also carry out solid work for reform, opening up, and the masses. Next year, we will see a new term of office in our province, cities, counties, and townships. Cadres at all levels should take the interests of the whole into account, uphold the party spirit, observe discipline, devote themselves to their duties, carry out solid work, and carry out work on all fronts with more efficiency. It is necessary to attach importance to work concerning public opinion and propaganda and enhance such work to promote reform and opening up throughout our society. We should vigorously publicize the party's basic line, publicize our great achievements in reform and opening up in the past 13 years and basic experience gained from there, publicize advanced deeds and model figures exemplifying boldness in making innovations and the courage to open up and advance into new frontiers in reform and opening up, and create a fine social environment where people wish for, carry out, support, and protect reform and opening up. We should support and respect the pioneering spirit of the masses in practicing reform and opening up. We should support and protect cadres who daringly blaze new trails, move forward with dashing spirit, produce results in carrying out reform, and make contributions. We should not criticize the mistakes they make in carrying out their reform work; instead, we should educate and help them. We should conduct education that accords with to our efforts to accelerate the pace of reform and opening up and actively guide the people and all sectors of society so that they understand, support, and take part in carrying out reform. We should increase our external propaganda work and make Zhejiang more popular in international circles.

The meeting was chaired by Li Zemin and Wang Qichao. Liu Feng and Xu Xinguan spoke at the meeting. Attending the meeting were responsible comrades from the provincial party committee, the provincial advisory committee, the provincial commission for discipline

inspection, the provincial people's congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference. Principal responsible comrades from various departments under the provincial party committee and departments of the provincial government also attended the meeting.

### Central-South Region

#### Fang Bao Orders Crackdown on 'Seven Evils'

HK1604022092 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Apr 92 p 8

[By Daniel Kwan]

[Text] Guangdong held an emergency meeting this week to discuss ways to combat the province's growing problems of drugs, prostitution and triads.

The meeting, which was chaired by Mr Fang Bao, a senior Guangdong Communist Party member, ordered that law enforcement officers in Guangdong regain control of the situation within two years.

"We must have determination in our fight against crimes," Mr Fang was quoted as saying, "particularly the problem of prostitution in Guangdong.

"Individual cities must...devise new measures to combat crime...so that we can fundamentally put the situation under control within one to two years," Mr Fang said.

According to a report by the Hong Kong China News Agency [HKCNA] yesterday, "seven evils"—the report named only prostitution, triads, gambling and drug addiction—were rampant in Guangdong.

The report said officials who attended the meeting had identified at least 6,000 drug addicts and more than 30,000 prostitutes in Guangdong.

There was no figure on the number of triad members, but the report said as many as 10,000 Guangdong residents were involved in gambling rackets in the province.

"The situation was so serious that, in some cases, it has become almost out of control," the HKCNA said.

The meeting named the cities of Shenzhen, Zhuhai, Guangzhou, Dongguan, Zhongshan, Huizhou and Shanmei as the seven key "black spots" in the province.

The report also said the Government had organised special raids in the seven cities since last month.

"The policemen have collected a large volume of first-hand information through their investigation," the HKCNA report said.

Senior leaders in Guangdong and Beijing are believed to be aware of the increase in crime in the province but have yet to come up with an effective solution to the problem.

For example, provincial police were unable to assess the province's smuggling problem, mainly because of the province's extensive coastline.

Yesterday, Guangdong Governor Mr Zhu Senlin said Guangdong customs officers had recorded more than 15,000 smuggling cases last year.

"We have organized two large-scale anti-smuggling operations last year and achieved some results," Mr Zhu said. "We are going to continue our efforts this year."

China's Public Minister, Mr Tao Siju, admitted earlier this month that triads were active on the mainland, but claimed that some members were "patriots who loved the motherland."

Mr Tao said these people could set up business in China as long as they refrained from recruiting members.

### Deng Hongxun Presides Over Committee Session

HK1504122192 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 14 Apr 92

[Text] The Seventh Plenary Session of the First Hainan Provincial CPC Committee was convened in the provincial party committee auditorium yesterday morning.

A total of 27 people, including Deng Hongxun [provincial party committee secretary], Liu Jianfeng [provincial governor], Yao Wenxu, Gu Qinglin, Wei Zefang, Li Zhimin, Xiao Xuchu, Wang Houhong, Dong Fanyuan, and Liu Xugin, as well as provincial party committee members and alternate members, attended the plenary session.

The plenary session, which was presided over by Comrade Deng Hongxun, adopted a namelist of tentative candidates to the forthcoming 14th CPC National Congress and decided on the date of and relevant affairs concerning the convocation of a provincial party congress.

### Yangpu Zone Sets More Preferential Policies

HK1504121992 Hong Kong CHING CHI JIH PAO  
in Chinese 6 Apr 92 p 3

[Report: "Hainan's Yangpu Promulgates More Preferential Policies"]

[Text] Hainan's Yangpu economic development zone will exercise 14 preferential policies more than other free ports in China and the existing policies of the Hainan Special Economic Zone.

These preferential policies' main points are:

The land development policy. Enterprises involved in land development and management in Yangpu will be granted the right to use 30 square km of land, with the longest use limit at 70 years. A land reclamation enterprise may be formed with an unshared investment by one foreign company, with joint investments by several foreign companies, or with pooled capital from Chinese

and foreign companies. The right to use land may be transferred, leased, mortgaged, or inherited or regarded as a term for joint-venture or cooperative management. Projects requiring big investments may proceed while tenders are being invited.

The enterprise investments and operations policy. This policy allows trading enterprises from outside the borders and domestic enterprises engaged in imports and exports to deal in international trade in the development zone. Enterprises in the development zone are allowed to deal in transit or reexport trade.

Development zone enterprises are allowed to run export-oriented industries; processing industries for exports; warehouse, transportation, and packing services; information and commercial exhibitions; real estate business; entertainment and catering services; cultural, educational, and public health services; and maintenance service.

The import and export trade policy. Export commodities in the development zone are exempted from export licenses. Import commodities for the development zone's needs, including machinery, equipment, capital construction materials, automobiles for production, transportation facilities, and office stationery, are exempted from import licenses. The domestic sales of enterprises' products should abide by the state regulations governing import substitutes. Detailed implementation should follow the existing policies of the state and Hainan.

The taxation policy. Export commodities manufactured by development zone enterprises are tariff-free and products are tax-free (value increment tax-free) except for crude oil and ready-made oil.

### Henan Station on Discarding 'Ideological Shackles'

HK1604065392 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 14 Apr 92

[Excerpts] Up to now, some people continue to be keen on discussing differences between socialism and capitalism and socialist and capitalist labels are still preventing people from emancipating their minds.

In order to speed up reform and expand opening up, we must free ourselves from the ideological shackles of socialist or capitalist labels. Reform is a process of self-perfection of the socialist system and is the only way to liberate and develop the productive forces. Adherence to reform and opening up constitutes an important component of the party's basic line as well as one of the two basic points. Originally, this point should not be challenged and should remain incontrovertible. However, some comrades have always been slow in comprehending the policies of reform and opening up. They have refused to face facts and be realistic, have continually favored both leftist and old things, have tried to find trouble with various new phenomena which have emerged in the course of reform and opening up, and

frequently asked others if their work is socialist or capitalist in nature. [passage omitted]

In order to quicken the pace of reform and opening up, we must bravely free ourselves from the ideological shackles of socialist or capitalist labels. In order to comprehensively and accurately adhere to the party's basic line, we must resolutely discard socialist or capitalist labels. After reviewing Hunan's reform and opening up over the past few years, we feel from the bottom of our hearts that the people of the whole province have been working diligently while the broad masses of cadres have been making unreserved efforts in their work. Moreover, Hunan is rich in resources and possesses favorable conditions. Then, why is it that we have been walking at a snail's pace while others have been running? One of the main reasons is that we have not yet fully emancipated our minds and have all along worried about being labelled capitalist in our reform and opening up. [passage omitted]

Reform and opening up is an unprecedented undertaking. We have no precedent to go by in building this undertaking, which is open and exploratory in nature. To be bold in experiments and explorations is a natural demand of reform and opening up. Reform and opening up are indeed a way to bring about stronger national strength and national prosperity and to build socialism with salient Chinese characteristics. Reform and opening up is undoubtedly socialist in nature. [passage omitted]

Comrade Deng Xiaoping put it well when he said that the criterion for judging socialism or capitalism lies in whether or not the endeavor in question is conducive to developing the socialist social productive forces, enhancing the socialist country's comprehensive national strength, and improving the people's livelihood. Only by making full use of all the achievements of mankind, including those made by some developed capitalist countries, will we be able to constantly enhance our national strength. To this end, we must thoroughly free ourselves from the shackles of socialist or capitalist labels and strive to open up new vistas for reform and opening up. [passage omitted]

### Southwest Region

#### Yang Rudai on Revitalizing City With Science

HK1504095692 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 9 Apr 92

[Text] Mianyang City held a report meeting on the pilot project for rejuvenating the city by relying upon science and technology, including converting military-industrial capacity to manufacture civilian products at the Mianyang City government assembly hall yesterday morning.

Yang Rudai, provincial party committee secretary; Hui Yongzheng, vice minister of the State Science and Technology Commission; Huai Guomo, vice minister of the Commission of Science, Technology, and Industry for

National Defense; and (Zhou Changqing), vice director of the State Council Office for Developing Remote Areas; et al attended the meeting.

Vice Governor Han Bangyan addressed the meeting.

Mianyang Mayor (Feng Chongtai) briefed the meeting on the initial achievements made in invigorating Mianyang through applying science and technology, including converting the military-industrial capacity to the manufacture of civilian products and the future plans.

Mianyang advanced and implemented a strategy for revitalizing the city through applying science and technology in 1988. In October last year, the State Science and Technology Commission; the Commission of Science, Technology, and Industry for National Defense; and the State Council Office for Developing Remote Areas selected Mianyang as a national experimental city for rejuvenating old cities through applying science and technology, including developing the conversion of military technologies into civilian products. Recently, Mianyang was declared Sichuan's new and high technology development area.

During the Seventh Five-Year Plan period, military-industrial enterprises and institutions in the city scored 4,041 achievements in scientific research with respect to civilian products, of which 1,781 were awarded ministry or provincial prizes. A total of 799 civilian products were developed and produced with varieties and specifications reaching 7,000. In 1991, the output value of civilian products produced by military-industrial enterprises and institutions totaled 2.35 billion yuan, accounting for 28 percent of the city's total industrial output value and over 90 percent of the military-industrial enterprises gross output value. The income from sales of civilian products produced by the five major research institutes for national defense in the city made up over 30 percent of their total income. The number of organs engaged in technological operation has increased to over 100 throughout the city.

#### Zhang Haoruo Addresses Pension Fund Conference

HK1604031892 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 14 Apr 92

[Excerpts] In order to further socialize the old-age pension system and promote a provincewide economic development and social stability, the provincial party committee and government held in Chengdu yesterday a provincial conference on arranging and providing at the provincial level old-age pensions in a unified way.

A report filed by this station reporter Li Zhan said: In order to invigorate enterprises and guarantee a basic standard of living for retired staff and workers, it is imperative to carry out a social security system reform with emphasis on perfecting the existing old-age pension system and employment-awaiting subsidy system. Since 1986, the provincial work of arranging a social retirement pension fund in a unified way has made three

major strides forward. In a short span of five years, a unified old-age pension fund arrangement at county level has been turned into a unified old-age pension fund arrangement at the provincial level. Over the past five years, a total of 490 million yuan has been allocated to enterprises with a heavy retirement pension load, thus lightening enterprises' burden in this regard.

Li Boyong, provincial party committee deputy secretary, made a speech at the conference. [passage omitted]

Provincial Governor Zhang Haoruo, and Li Peiyao, state vice minister of labor, attended and delivered speeches at yesterday's conference.

### North Region

#### Li Ximing Speaks at Beijing Plenary Session

SK1604020992 Beijing BEIJING RIBAO in Chinese  
25 Mar 92 p 1

[By reporter Zhang Yanjun (1728 1693 6511): "Thirteenth Plenary Session of the Sixth Beijing Municipal CPC Committee Was Held"]

[Text] The 13th plenary session of the sixth municipal party committee, which concluded on 24 March, decided that the Beijing Municipal conference of party delegates would be held in June, and the seventh Beijing Municipal CPC Congress would be held in December this year.

Li Qiyao, deputy secretary of the municipal party committee, presided over the session. Li Ximing, secretary of the municipal party committee, gave a speech.

Attending the session were municipal leaders and members and alternate members of the municipal party committee, including Chen Xitong, Wang Xian, Zhao Pengfei, Wang Jialiu, Wang Guang, Zhang Jianmin, Zhang Baokang, Meng Zhiyuan, Chen Guangwen, Wang Tong, and Ouyang Wenan. Attending as nonvoting delegates were members of the municipal advisory commission and discipline inspection commission.

After discussions, the session approved the "resolution on holding the Beijing Municipal conference of party delegates" and the "resolution on holding the seventh Beijing Municipal CPC congress," decided to hold the Beijing Municipal conference of party delegates in June this year to elect Beijing Municipal delegates to the 14th National Party Congress, and decided to hold the seventh Beijing Municipal party congress in December this year. The major tasks of the seventh municipal party congress will be to implement the guidelines of the 14th National CPC Congress, to hear and discuss the work report of the sixth Beijing Municipal CPC Committee, and to elect the new Beijing Municipal CPC leading organ.

Li Ximing pointed out in his speech: The 14th National Party Congress will be a conference of great importance in the history of our party and in the progress of China's

socialist modernization. To make the 14th National Party Congress successful will have an important historical and immediate significance in further building our party into a strong core leading the people of various nationalities throughout the country to build socialism and to advance continuously on the road of building socialism with Chinese characteristics as put forward by Comrade Deng Xiaoping.

Li Ximing urged the vast number of party members and cadres throughout the municipality to study repeatedly and thoroughly the series of important theories of Comrade Deng Xiaoping on building socialism with Chinese characteristics, study the guidelines of the plenary session of the Political Bureau of the party Central Committee, further emancipate their minds, and seize the favorable opportunity to accelerate reform, opening up, and economic development, to work hard, and to strive to open up a new situation in the socialist modernization of the capital.

The session urged all party organizations and party members throughout the municipality to unswervingly and comprehensively implement the party's basic line consisting of "one central task and two basic points," to focus attention on the central task of economic construction, to rally closely round the party Central Committee with Comrade Jiang Zemin as the core, to work in unison, go all out to make progress, and to usher in the successful convocation of the 14th National Party Congress and the seventh Beijing Municipal party congress with the outstanding achievements in the socialist modernization, reform, and opening up of the capital.

#### Hebei Government Announces Personnel Changes

SK1504145092 Shijiazhuang HEBEI RIBAO  
in Chinese 16 Feb 92 p 4

[Text] The Hebei Provincial People's Government made the following decision on 21 and 25 January on personnel appointments and removals:

Zheng Yinyuan [6774 5593 6678] was appointed director (concurrent) of the office for opening to the outside world of the Hebei Provincial People's Government.

Fang Shuhui [5400 2579 6540] was appointed deputy director of the office for opening to the outside world of the Hebei Provincial People's Government.

Qin Chaozhen [4440 2600 6966] was appointed director of the production office of the Hebei Provincial People's Government.

Wu Qingwu [0702 1987 0063] was appointed deputy director of the general office of the Hebei Provincial People's Government.

Zhang Zhiqiang [1728 1807 1730] was appointed director of the legislative affairs bureau of the Hebei Provincial People's Government.

Xu Fengchao [1776 7685 3390] was appointed director of the general office of the Hebei Provincial Committee for Establishment of Government Organizations.

Chen Baorong [7115 1405 5554] was appointed deputy director of the Hebei Provincial Cultural Department.

Gao Lianyu [7559 6647 3768] was appointed deputy director of the Hebei Provincial Commercial Department.

Ma Zhanyuan [7456 0594 0337] and Hu Jincheng [5170 6855 1004] were appointed deputy directors of the Hebei Provincial Agricultural Department.

Chang Huixin [1603 1920 2450] was appointed deputy director of the Hebei Provincial Office for Foreign and Overseas Chinese Affairs.

Zhang Hanxing [1728 3352 5281] was appointed deputy director of the Hebei Provincial Coal Industrial Department.

Liu Jiankai [0491 7003 0418] was removed from the post of vice chairman of the Hebei Provincial Planning and Economic Commission.

Qiao Zhongshun [0829 6988 7311] was appointed president of the Hebei Provincial Engineering Consultative Research Institute and was removed from the post of manager of the Hebei Provincial Engineering Consultative Company.

Zhou Xiu [0719 1485] was appointed general manager of the Hong Kong Yanshan Development Limited Company and was removed from the post of general manager of the Hebei Provincial Import-Export Trade Company.

Lu Changting [4151 7022 0080] was removed from the post of general manager of the Hong Kong Yanshan Development Limited Company.

Wang Zongyu [3769 1350 4416] was removed from the post of deputy manager of the Hebei Metallurgical Industrial Enterprise Group.

He Tongshan [0149 0681 0810] was appointed president of the Handan campus of the Hebei Agricultural College, and Zhang Qinghe [1728 1987 0735] commissioner of the Hengshui Prefectural Administrative Office.

Zhang Shiyang [1728 1102 5391] was removed from the post of commissioner of the Hengshui Prefectural Administrative Office.

Gao Butang [7559 2975 1016] and Li Honggui [2621 1347 6016] were removed from the posts of deputy commissioners of the Shijiazhuang Prefectural Administrative Office.

**Tianjin Factory Denies Negative Reform Response**  
*HK1604095492 Hong Kong HSIN WAN PAO in Chinese 16 Apr 92 p 4*

["Special dispatch": "Tianjin Wristwatch Factory Refutes Rumor About Strike"]

[Text] Beijing, 16 (HSIN WAN PAO)—Personnel from the state grade one enterprise Tianjin Wristwatch Factory pointed out: Word about Tianjin Wristwatch Factory workers committing suicide, going on strike, and setting fire to the factory and the factory being put under martial law are all pure rumors.

These people said that recently such rumors have been flying about in Tianjin and Beijing; even Hebei and Henan have got wind of it. But the fact is that Tianjin Wristwatch Factory launched, at the start of this year, the reform of switching the mechanism, putting 2,000 workers on leave for one and half months, during which the workers would receive only basic wages. The factory would take advantage of this period to adjust product mix and pursue the "smashing three irons" reform. The workers' income indeed has suffered but their ideology and mood have been stable.

These people said: The incident of a worker jumping to his death occurred last year and is unrelated to the enterprise reform. There was indeed a fire at the factory during the Spring Festival, which was caused by failure to disconnect power sources, and not the result of arson by workers. And factory workers going on strike and the factory being put under martial law are nothing but pure fantasy.

## Northeast Region

**Sun Weiben Attends NPC Session Briefing**  
*SK1604004792 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 13 Apr 92*

[Text] Leading cadres at or above the section level from the provincial level organs attended a briefing today to hear the reports given by the leading personnel of the provincial People's Congress and the provincial Chinese People's Political Consultative Conference [CPPCC] Committee with regard to relaying the spirit of the fifth sessions of the Seventh National People's Congress [NPC] and the Seventh National CPPCC Committee.

During the briefing, Zhang Ruoxian, vice chairman of the provincial People's Congress, delivered a report on describing the situation and characteristics of the fifth session of the Seventh NPC and various issues for which deputies generally show great concern. He also cited the issue of how to implement the session's spirit; how to do a good job in mobilizing the people ideologically; and how to closely follow the reality to arouse the people throughout the province to engage in economic construction, to improve the work style, and to vigorously implement the spirit of the NPC session.

During the briefing, Chen Wenzhi, vice chairman of the provincial CPPCC Committee, also delivered a report in which he described that the participating members at the fifth session of the Seventh National CPPCC Committee enthusiastically discussed the government work report by displaying the spirit of being highly responsible for the party and country and the reports on economic and social development and on financial budgets.

Attending the briefing were Sun Weiben, Wang Zhao, Zhou Wenhua, Ma Guoliang, Wang Haiyan, Chen Yunlin, Tian Fengshan, Zhang Xiangling, He Shoulun, Zhang Ruoxian, Zhang Li, and Chen Wenzhi.

#### **Quan Shuren Attends Forum of CPPCC Members**

*SK1604004392 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 14 Apr 92*

[Text] This afternoon, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] held a forum of members from the intellectual and scientific and technological circles to evaluate the decision of the provincial party committee and the provincial government on further relaxing control over scientific research units and personnel and relying on scientific and technological progress to accelerate economic development.

Xu Shaofu, chairman of the provincial CPPCC Committee, presided over the forum. Quan Shuren, secretary of the provincial party committee; Shang Wen, deputy secretary of the provincial party committee; Wen Shizhen, vice governor; and Shen Xianhui, Yue Weichun, Li Qisheng, and Lin Sheng, vice chairmen of the provincial CPPCC committee, attended the forum.

(Wu Bingan), member of the Standing Committee of the provincial CPPCC Committee and professor of Liaoning University; (Chen Hongbo), president of the hospital attached to China Medical University; (Li Jingxiu), former chief engineer of Shenyang Coal Mining Administration; (Wang Daolai), member of the provincial CPPCC Committee and deputy director of Liaoning People's Art Theater; and (Wang Xueling), associate professor of Liaoning University, gave speeches at the forum.

All the participating comrades maintained that the decision of the provincial party committee and the provincial government has made a new breakthrough in emancipating minds and that they were greatly inspired after reading it. Meanwhile, some CPPCC Committee members worried that some specific issues could not be implemented. They hoped that the provincial authorities would set forth more specific stipulations for these issues.

Quan Shuren, secretary of the provincial party committee, paid great attention to the suggestions of the CPPCC Committee members, and held conscientious and enthusiastic discussions with them on the relevant policy issues. He expressed that he would further revise

the decision in line with the suggestions of the committee members. He stressed: It is necessary to firmly grasp this work, conscientiously implement the decision, further boost the enthusiasm of scientific and technical personnel and intellectuals across the province, accelerate scientific and technological progress, and enable Liaoning's economy to leap to a new stage as quickly as possible.

#### **Liaoning Holds Forum on Strengthening Party Style**

*SK1604004992 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 14 Apr 92*

[Text] At today's forum held by the provincial Discipline Inspection Commission on strengthening the building of party style and deepening enterprise reform, Zhang Chenglun, deputy secretary of the provincial Discipline Inspection Commission, pointed out: At present, Discipline Inspection Commissions should further firmly cultivate a guiding ideology of serving economic construction, and use a good party style to guarantee enterprise reform, opening to the outside world, and economic development.

Zhang Chenglun said: Under the new situation of reform and opening up, discipline inspection commissions at all levels should uphold the principle of running the party strictly, resolutely fighting corruption, and safeguarding the solemnity of the party discipline on the one hand while proceeding from the reality of reforms, opening up, and economic invigoration, paying attention to drawing a clear line between the policy limit, taking active and reliable steps to handle some new problems including making a distinction between the policy on relaxing control and invigorating enterprises formulated in line with reality and the practice of countering the central measures with local ones on the other hand. It is necessary to distinguish between the miscalculations in reforms and opening to the outside world with law and discipline breaches, between the remuneration which the scientific and technical workers gained in giving consulting service and one's personal gains, and between the losses caused by the lack of experience in foreign economic activities and the losses caused by bureaucratism.

Zhang Chenglun stressed: The more we develop our economy, deepen our reforms, and expand the scale of opening up, the more we need to grasp the building of party style and administrative honesty. This point must not be changed at any time.

#### **Liaoning Forum on Socialist Ideological Education**

*SK1604015992 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 14 Apr 92*

[Text] On 10 April, the Rural Socialist Ideological Educational Office of the provincial party committee held a forum on township- and town-level socialist education experimental work in Yingkou County. Directors of the Rural Socialist Educational Offices of various cities, secretaries of the party committees of some experimental

townships and towns, and head of the socialist ideological educational work teams attended the forum.

Comrade Shang Wen, deputy secretary of the provincial party committee and deputy director of the Rural Socialist Ideological Educational Office of the provincial party committee, attended the forum and gave an important speech.

At the forum, eight units including (Shenjingzi) town in Dongling District, and (Zhangdu) Township in Yingkou County exchanged their experiences in conducting socialist ideological education.

Zhang Chuanqing, director of the Rural Socialist Ideological Educational Office of the provincial party committee, gave a speech on conscientiously implementing the guidelines of Comrade Deng Xiaoping's speech, taking economic construction as the central task, and successfully implementing the responsibility system of rural socialist ideological education.

In his speech, Comrade Shang Wen, deputy secretary of the provincial party committee, explicitly pointed out: Rural socialist ideological education is absolutely in conformity with the guidelines of Comrade Deng Xiaoping's speech. Our province's socialist ideological education is being soundly developed, the guiding ideology is correct, the method is reliable, and the results are good. It is well received by the broad masses of peasants and the grass-roots cadres. At present, the existing deficiencies are mainly manifested in two aspects. The first is concerning the issue of how to further emancipate minds, to have courage to do experiments and to blaze new trails, and to grasp the current opportune moment

to accelerate the pace of economic development; the second is concerning the issue of how to solve problems that affect reforms, opening to the outside world, and economic development in line with reality in the course of conducting socialist ideological educational work, and how to prevent simplism and going through the motions. In implementing Comrade Xiaoping's speech guidelines, we should take Comrade Xiaoping's speech, the meeting guidelines, and the decision of the eighth plenary session as the basic contents, deeply and solidly conduct education on the party's basic line, and education on the socialist basic theory with Chinese characteristics, concentrate the ideology of the broad masses of peasants on the practical objective of becoming fairly well-off. Yingkou County's experience in seeking development, striving to become wealthy, and marching toward the goal of comparatively well-off is very good. We should further sum up and publicize it.

He stressed at the end of his speech: It is necessary to take the study of Comrade Deng Xiaoping's speech as a new starting point for further improving Liaoning's rural socialist ideological educational work, help the broad masses of rural cadres emancipate minds and renew concepts, prepare the public for reforms and opening to the outside world, boost the courage and enthusiasm of the masses, and through this education, attain the objective of emancipating minds, stabilizing policies, keeping a firm orientation, rectifying work style, strengthening organizations, accelerating development, and becoming fairly well-off within a short period of time, and create an upsurge in which all the people pay great attention to socialism, work for socialism, and strive for a comfortable life.

**Cross-Strait Scientific, Technological Ties Begin***HK1504070692 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1526 GMT 14 Apr 92*

[Text] Beijing, April 14 (CNS)—The voice arising from within Taiwan for the strengthening of scientific and technological cooperation and exchanges across the strait is becoming louder and louder. The one-way cross-strait academic exchanges and the practice of indirectly bringing back mainland scientific and technological information are far from meeting the needs while upgrading of science and technology in Taiwan encounters bottlenecks. The public in the island called for the Taiwan authorities to lift unreasonable restrictions, a move leading to a start in scientific and technological cooperation across the strait.

Under the current large-scale "Six-Year Construction Plan" in Taiwan, a serious shortage of talented persons is found in such fields as new materials, photo-electricity, laser science, medical treatment, biology and aerospace, a problem not to be easily solved in the near future. Taiwan's products have long relied on developed Western countries for their technology and equipment.

Relevant sectors inside the island have turned to the mainland as Professor Tsai Cheng-yang of the National Chengchi University pointed out that the mainland scientific and technological level was quite high with application of high-temperature superconductor, artificial satellite and nuclear energy research reaching international standards. Should a smooth transfer of technology and intellectual-intensive industries from the state to nongovernment industries take place, the future development would be greater.

Various sectors in Taiwan are now fostering "experts on the mainland," while academic circles have sent personnel on several occasions to the mainland for discussions on student exchanges and researchers across the strait. The National Science Council will set up an information bank on mainland talented persons. The council complained that policies on the mainland adopted by the Taiwan authorities were backward which in turn posed obstacles to relevant sectors in bringing in mainland persons of ability.

Bowing to greater pressure, the Taiwan authorities relaxed some restrictions. "The Operational Main Points of Engaging Mainland Scientific and Technological Personnel To Come to Taiwan for Participation in Scientific and Technological Research and Development at the Present Stage" promulgated on April 8 this year, according to a report by the CHINA TIMES has been revised and relaxed to a certain extent. The target of talented mainland persons to be engaged was expanded from those from the fields of science, engineering, medicine and agriculture to include humane studies and social sciences, while the level of talents involved was lowered from "outstanding" to "excellent." The number of such kinds of persons to be brought in is basically set at no more than 15 percent while those with a sound

performance will have their employment renewed on a long-term basis. Scholars from the island going to the mainland for scientific and technological studies or collecting information there on a trip lasting not longer than six months will be qualified for a subsidy given by the science council. Such a limited relaxation, in spite of its unreasonableness, is, however, beneficial to some extent as a first step in scientific and technological cooperation across the strait.

Prominent figures from scientific and technological circles in Taiwan started making trips to the mainland to explore the prospects for technological cooperation across the strait. The head of the Taiwan Institute of Economics, Mr Liu Ying-tai visited the mainland in late February on an exploratory trip and expressed the view that he supported cross-strait high-tech cooperation. The President of the Academia Sinica in Taiwan, Mr Wu Ta-you is scheduled to head a delegation to the mainland in May and June to attend three academic seminars being held there as well as meet his counterparts there.

**Official Discusses Cross-Strait Negotiations***HK1504093592 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 1 Apr 92 p 5*

[By reporter Yao Xiaomin (1202 1420 2404): "Tang Shubei Gives News Conference on One China Policy, Cross-Strait Trade Negotiations"]

[Text] Beijing, 30 Mar (RENMIN RIBAO OVERSEAS EDITION)—Tang Shubei, executive vice chairman of the Association for Relations Across the Taiwan Strait [ARATS], pointed out here today that "one China" is a common understanding between the two sides of the strait and this principle should not become a source of puzzlement [kun rao 0938 2371] in the cross-strait talks on specific routine issues.

Tang Shubei made the above statement at today's news conference held by the ARATS, attended by over 30 reporters from both sides of the strait.

Tang Shubei said: The recent talks between ARATS and Taiwan's Straits Exchange Foundation [SEF] on the use of notarial documents and the opening of inquiry and compensation services concerning registered mail between the two sides was fruitful and brought the two sides to a common understanding in many areas. But because time was very short, they still had some differences of opinion over certain issues, which was perfectly natural. We are expecting further talks between the two sides when it is convenient.

He said: The crux of their differences lies in the way "one China" is phrased. We believe that there is no difficulty in the use of documents or such things as registered mail inquiry in a given country. But because the two sides of the Taiwan Strait are not unified yet, it is necessary to find some special solutions regarding the use of notarial documents and the opening of inquiry and compensation services concerning registered mail. We are willing

to cooperate with the relevant departments in Taiwan on this issue. But because the two sides are not unified yet, we should first make it clear that what we are talking about and attempting to solve is a problem within a country. As is known to all, both the Guomintang [Kuomintang] and the CPC believe that there is only "one China" and the documents on unification passed in Taiwan also acknowledge "one China." Since both sides share the notion of "one China," why can not they handle specific routine affairs in accordance with this principle? The "one China" question should not become a source of puzzlement in bilateral talks.

Tang Shubei said: We do not wish to discuss political issues with the SEF. We only want to establish a fact, that is, "one China." We are not prepared, and do not plan, to discuss the meaning of "one China" with the SEF. Though the two sides are not unified yet, we are still one country. We will always stick to this principle. We are willing to discuss the forms in which this principle may be expressed.

When asked whether or not future bilateral talks can be modeled on the "Jinmen Agreement," which does not include the "one China" principle, Tang Shubei said: The "Jinmen Agreement" was signed by the Red Cross societies of both sides in 1990, covering such issues as the repatriation of people guilty of unauthorized entry into each other's territories. This "Agreement" should not be considered a formula that the ARATS and SEF must follow, or ought to implement to the letter, in making and concluding the agreement.

The relevant media in Taiwan recently mentioned that during this round of talks between the ARATS and SEF, the mainland side insisted on direct or official contacts. In this regard, Tang Shubei said: There is no doubt about it, as we stand for direct "three links" and two-way

exchange between the two sides. The speech made by the person in charge of the CPC Central Taiwan Affairs Office last year suggested: "The relevant departments and authorized bodies or personalities on both sides of the strait should, as soon as possible, discuss the issue of direct 'three links' and two-way exchange." According to this suggestion, and in light of the realities on Taiwan island, we set up the nongovernmental body of ARATS. Therefore, the contacts between ARATS and SEF are not official contacts and, consequently, the agreement to be concluded on the basis of our talks is not a result of official contacts.

As to the issue of mainland reporters' visiting Taiwan, Tang Shubei said: When the SEF delegation visited Beijing this time, the ARATS and SEF gentlemen informally exchanged views. We are grateful to the SEF for their invitation. We hope that some Communist Party members among the mainland reporters who are entering or visiting Taiwan will not be bothered. The SEF gentlemen told us that they would fulfill well their duty as hosts. When and how these reporters will go to Taiwan has not been discussed yet.

Finally, Tang Shubei commented on ARATS adviser Zhang Kehui's [1728 0344 6540] request to return to Taiwan for his mother's funeral. He said: Mr. Zhang Kehui hoped that he could return to Taiwan for the funeral after his mother had died. He failed to get the approval from the Taiwan authorities because of his status. We think this is not in line with the humanitarian principle that some gentlemen in Taiwan often speak of, nor in line with the principle of removing antagonism advocated by some gentlemen in Taiwan. We hope Taiwan authorities will lift this irrational restriction according to the humanitarian spirit and the principle of removing antagonism.

**McDonnell Douglas Announcement Set for 22 Apr**  
*OW1604095592 Taipei CNA in English 0836 GMT*  
16 Apr 92

[Text] Taipei, April 16 (CNA)—Economic Affairs Minister Hsiao Wan-chang said Wednesday he will announce the ministry's stance on a proposed joint venture deal between Taiwan Aerospace Corp. and McDonnell Douglas Corp. of the United States April 22 when he testifies before the Legislative Yuan for the project.

"In my testimony to the legislature, I'll clearly explain the economics ministry's position on the much-publicized deal," he stated.

The minister told the press that he had received a formal assessment report on the ambitious investment project. "I'm still pondering whether or not to endorse the plan," he said.

The evaluation report was prepared by a team of aerospace, financial and legal experts organized by the state-run China Steel Corp.

The team has carefully studied McDonnell Douglas' financial status, the market potential of the MD-12 wide-body commercial aircraft that the new venture will produce, and the estimated return on investment.

After reading the evaluation report, Vice Economic Affairs Minister Yang Shih-chien said last week that the deal will be "an excellent opportunity with high risk."

Taiwan Aerospace, in which the government holds a 29 percent stake, signed a memorandum with McDonnell Douglas last October expressing their intention to form a joint venture to manufacture a new generation of commercial jetliners for the 21st century. According to the memorandum, Taiwan Aerospace will invest \$2 billion [words indistinct] stake in the new venture.

Yang revealed yesterday that the ministry will promote the establishment of a wholly privately owned company to raise funds for the costly project.

With a mere NT [New Taiwan dollars] \$1.3 billion in paid-in capital, Yang said, Taiwan Aerospace is unable to finance the proposed joint venture with McDonnell Douglas.

Under the ministry's new plan, Yang said, Taiwan Aerospace will only be a shareholder in the proposed private holding company and will be responsible for aircraft parts manufacturing.

Yang hoped private enterprises here will invest in the new holding company in order to facilitate the buyout deal with McDonnell Douglas, which he said will help boost Taiwan's burgeoning aerospace industry.

Meanwhile, Huang Hsiao-chung, Taiwan Aerospace chairman, tendered his resignation yesterday amid criticism from the legislature, company sources said.

The board of directors of the company will meet Thursday to discuss Huang's resignation, the sources said.

Hou Chen-hsiung, a steel baron and a big shareholder of Taiwan Aerospace, is expected to succeed Huang as the new chairman of the aerospace company, the sources said.

Huang, former head of the military-run Chung-Shan Science and Technology Research Institute and a Defense Ministry adviser, said yesterday that now is a good time for him to leave Taiwan Aerospace since the official evaluation report on the McDonnell Douglas deal has been completed.

Huang's departure is expected to lessen the "official color" of Taiwan Aerospace and thus reduce legislative opposition to the McDonnell Douglas deal, industry observers said.

**U.S. Senator Wallop Relays GATT Bid Support**  
*OW1604091692 Taipei CNA in English 0812 GMT*  
16 Apr 92

[Text] Taipei, April 16 (CNA)—U.S. Senator Malcolm Wallop said upon his arrival in Taiwan Wednesday that the Bush Administration supports the Republic of China's bid to enter the General Agreement on Tariffs and Trade [GATT].

Wallop, now a member of the U.S. Senate Armed Services Committee, flew into Taipei Wednesday for a four-day visit.

The senator said Secretary of State James Baker had told him that supporting Taiwan's accession to the GATT is already the Bush Administration's policy. The Republic of China applied to enter the Geneva-based world trade regulatory body in January, 1990.

Asked to comment on the unsuccessful Sino-American trade consultations held here last week, Wallop replied that he hopes a reasonable resolution can be worked out rather than resorting to the punitive Section 301 of the 1988 Omnibus Trade Act.

During his stay in Taiwan, Wallop will call on President Li Teng-hui, Foreign Minister Chien Fu, and National Defense Minister Chen Li-an.

**Electronics Firms To Challenge Piracy Charges**  
*OW1504131092 Taipei CHINA POST in English*  
10 Apr 92 p 6

[Text] Three domestic electronics makers have recently decided to hire lawyers to defend themselves against piracy charges involving telephone integrated circuits, raised by the U.S. firm SGS-Thomas.

United Microelectronics Corp., Winbond Electronics Corp. and Hualon Microelectronics Corp. and eight others in other countries, were charged by SGS-Thomas

in March. The U.S.-based manufacturer raised demands for patent compensation from Taiwan a year ago, but was rejected.

To help the local businesses, the Taiwan Electric Appliance Manufacturers Assoc. will help search for qualified attorneys and has promised to provide financial assistance if necessary. The Industrial Technology Research Institute will also offer technological materials to support their defense.

"We shouldn't let such litigations happen again and again, so it is time we fought back," said a Winbond executive. The three companies will pursue legal solutions to the accusation, which may cost \$500,000-600,000.

"Foreign firms often press charges against Taiwan makers of patent violation and require compensation when our sales of certain products are good. Often the accused ROC [Republic of China] manufacturers prefer to reach a settlement instead of going to court which takes time and more money," a United Microelectronics official said.

SGS-Thomas also sued Taiwan for dumping telephones in the U.S., trying to take advantage of the International Trade Commission's quick actions in processing dumping charges and to affect Taiwan telephone makers' business," indicated a Hualon official.

As the results of this particular lawsuit could harm the welfare of all domestic electronics makers, the appliance manufacturer's association will back the defense, according to its chairman Liu Kuo-chao.

**Editorial Questions South Korean 'Trustworthiness'**  
*OW1504145292 Taipei CNA in English 1349 GMT*  
15 Apr 92

[Editorial from the 15 April edition of EXPRESS NEWS, "An Evening Daily" published by CNA: "Trust Between Nations"]

[Text] Taipei, April 15 (CNA)— We are extremely alarmed by the meeting between South Korean Foreign Minister Yi Sang-ok and Red China's Foreign Minister Qian Qichen in Beijing on Monday, not because of any substantial results of the meeting that may affect our interests, but because it gave us reason to question the trustworthiness of the South Korean Government.

The Republic of China and South Korea used to be the closest friends in the region because of our commonalities. Both are a part of a divided nation and have been at war with the communist half. Both have been trying to achieve economic prosperity and political democratization while still facing constant threat from the communists.

This close relationship, however, is being tested in recent years since South Korea began to seek "normalized relations" with Beijing. Still, our government understands South Korea's policy in this regard within the

context of its northern strategy, and hopes to continue the mutually beneficial relations between Taipei and Seoul. At the same time, our government has been closely following developments between Seoul and Beijing, the latest of which being the visit by the South Korean foreign minister to Beijing this week on the occasion of the annual meeting of the United Nations Economic and Social Commission for Asia and the Pacific.

Prior to the minister's departure from Seoul for Beijing, the Seoul government assured our Ambassador Charles King [Chin Shu-chi] that the minister would be in Beijing only to attend the UN meeting, and not to discuss the issue of establishing diplomatic relations with the Chinese communist regime. In view of this assurance, the announcements by both the Chinese communists and South Koreans that Yi and Qian affirmed the need to "normalize relations" can only be interpreted as a betrayal by Seoul of its words.

Whatever Seoul decides to do with respect to its relationship with Beijing, we believe the relationship between Taipei and Seoul has to stand on its own merits. This means it must be mutually beneficial and must be based on mutual trust. No relationship, be it between individuals and nations, is worth pursuing or sustainable if the parties involved cannot trust each other. This is the approach our Ministry of Foreign Affairs should take toward our relations with South Korea as a result of the Monday meeting in Beijing between Yi and Qian.

**Mainland Travel Requirements Upset Officials**  
*OW1504084392 Taipei CNA in English 0748 GMT*  
15 Apr 92

[Text] Taipei, April 15 (CNA)—Officials and travel agents Tuesday voiced dissatisfaction over Beijing's new requirements on applications by Taiwan residents for permits to visit Mainland China.

Public security authorities in Beijing announced that beginning May 1, Taiwan residents must present passports and household registration certificates when applying for permits to travel to the mainland.

Beijing also raised the application fee from HK\$70 [Hong Kong dollars] to HK\$120 for each permit.

Mainland Affairs Council [MAC] chairman Huang Kun-hui, comparing the Beijing move to "picking up a stone to hit one's own feet," said the communist regime might be trying to build a "comprehensive network" of data on the whole Taiwan population.

Reminding the people here to beware of Beijing's "ulterior motives," Huang also accused Beijing of violating its "one-China" principle by asking Taiwan residents to present passports and by regarding Taiwan Chinese as foreigners.

Huang called on Beijing not to backpedal from its announced policy of promoting cross-strait exchanges and to retract the "unreasonable" requirements.

Chen Yao-chih, president of the Taipei Travel Agents Association, hoped that Beijing will maintain its current screening system for Taiwan applications for mainland visits.

Chen said his association had sent a message to the Public Security Ministry in Beijing asking it to cancel the new requirements, which he suspected might infringe upon the privacy of Taiwan people.

If implemented, the new Beijing measure will place Taiwan residents in a much more disadvantageous position than their Hong Kong and Macao compatriots.

Hong Kong and Macao Chinese can apply for multi-entry permits valid for 10 years while the permits for Taiwan residents are valid for only five years and must be "stamped" upon each entry.

MAC officials said the differences show Beijing is trying to "discriminate against" Taiwan people.

#### **Editorial on Jiang Zemin's 'Failed' Japan Visit**

*OW1504123392 Taipei CHINA POST in English  
10 Apr 92 p 4*

[Editorial: "Jiang Zemin's Visit to Japan"]

[Text] Chinese Communist Party chief Jiang Zemin, who ends a five-day visit to Japan today, seems to have failed to achieve the aims of his trip, judging from news reports.

Jiang had hoped to use the visit, arranged to celebrate the 20th anniversary of restored relations between Japan and Communist China, to secure a new loan, worth 700 billion yen (\$5.3 billion). But he failed to negotiate a firm pledge that the loan will be approved from Japanese authorities.

Apparently, Tokyo does not want to commit itself at this point for two reasons. In considering the loan, Tokyo

must consider that Japan itself has come upon hard times, because of the bursting of its "bubble economy" and the onslaught of an economic recession.

Tokyo must also take into account Western, particularly U.S., concerns about Beijing's poor human rights record and its irresponsible arms sales to many Third World countries.

The Chinese Communist Party chief also failed to win a visit to mainland China this year by Japanese Emperor Akihito, another of his major aims. Tokyo clearly declined Jiang's invitation out of fear that such a visit might embarrass the emperor.

Jiang's invitation was perhaps well-intentioned, but he failed to consider the still widespread anti-Japanese feelings toward Japan for its invasion of China in the 1930s. Only recently many mainland Chinese legislators renewed a demand for war reparations from Japan.

A visit to the mainland by a Japanese emperor would bring back memories of Japan's brutal aggression and the sufferings it inflicted on the Chinese people. It could even spark anti-Japanese demonstrations and demands that Emperor Akihito apologize for the invasion.

Jiang's visit to Japan did provide an opportunity for Beijing and Tokyo to ease tensions in relations strained by the mainland's reasserting its claim over the Diaoyutai Islands in a recent law. Taipei, Tokyo and Beijing have long disputed the sovereignty of this group of islets, located northwest of Taiwan.

Jiang placated his host, Prime Minister Kiichi Miyazawa, by reportedly telling him that mainland China was still bound by senior Communist leader Deng Xiaoping's 1987 suggestion that the island issue be left to future generations.

On another point, Jiang and Miyazawa went out of their way during a meeting to assure each other that their governments do not seek military domination. This provides a measure of how little mainland China and Japan still trust each other, even after 20 years of restored relations.

## **Hong Kong**

### **U.S. Attempt To 'Internationalize' Issue Viewed**

*HK1304140892 Hong Kong HSIN WAN PAO  
in Chinese 13 Apr 92 p 2*

[*"New Talk"* column: "It Is Impermissible To 'Internationalize' Hong Kong Issue"]

[Text] Last week, Hong Kong's media gave the British general elections wide coverage. Mainland newspapers also reported on the elections when the results were in. After all, the general elections are Britain's internal affairs. RENMIN RIBAO only quoted John Major as saying "the new government will place priority on the task to bail Britain out of economic recession." Not until the day before yesterday [11 April] did the Foreign Ministry spokesman comment on the election when asked by a TA KUNG PAO reporter. The spokesman said China hopes and believes that with the two sides' joint efforts, the friendly relations and cooperation between China and Britain in various fields will be further enhanced and developed. Short as it is, the comment entirely conforms with the Hong Kong people's aspirations. In fact, to a great extent, the Hong Kong people's concerns about the Britain elections arose from their concern about Hong Kong's status quo and future. No major policy-related changes were likely no matter which party won the election, because the two countries have to observe the Sino-British Joint Declaration, which has come into effect. Since the Conservative Party has been responsible for handling the Hong Kong issue since Mrs. Thatcher visited China in 1982, it is natural for people to believe that the election results would lead to continued close consultation and cooperation between China and Britain, as expected by the Chinese Foreign Ministry spokesman. Such a consultation and cooperation is essential for prosperity and stability in Hong Kong and the smooth handover of sovereignty.

While everyone was focusing their attention on the British general elections, Chinese Foreign Minister Qian Qichen made a statement about Hong Kong in Japan. I am not sure whether our readers have taken note of the statement. Foreign Minister Qian reiterated China's objection to internationalizing the Hong Kong issue. Qian pointed out: "The Hong Kong issue is a matter between China and Britain before 1997 and is China's internal affair thereafter. Now we have the Sino-British Declaration and the Basic Law of the Hong Kong Special Administrative Region to go by with the liaison group serving as a dialogue channel. China welcomes other countries to take part in economic activities in Hong Kong, but they are only allowed to establish trade relations with Hong Kong."

Foreign Minister Qian's statement was apparently made in reference to something. As everyone knows, in early April, a number of U.S. State Department officials openly supported Republican Senator Mitch McConnell

in submitting to Congress the "1991 Bill on U.S. Policies Toward Hong Kong." The bill indicates that the United States is planning to apply its internal laws to Hong Kong, regarding post-1997 Hong Kong a "nonsovereign entity," which is different from China, and to continue its ties with Hong Kong after 1997. This constitutes an apparent interference in Hong Kong's affairs and a naked intervention in China's sovereignty. Foreign Minister Qian's statement was certainly an important one.

China has always been keen on improving Sino-U.S. relations. On 9 April, Premier Li Peng told visiting American guests: "Improving and developing Sino-U.S. relations in various fields is in the interest of both sides. Any political figure with foresight should contribute to safeguarding Sino-U.S. relations. There is no problem with China in this respect." However, it is known to all that while being ready to improve its relations with foreign countries, China has persisted in safeguarding its national sovereignty and dignity, never yielding an inch on such a matter.

The United States acts as if it were an "international policeman." Such an attitude is disgusting. It is a well-known fact that they make a show of strength upon hearing anything unpleasant and are apt to apply "economic sanctions" anytime they please, which they regard as a magic weapon. However, it is also known to all that such tactics are of no avail in China. Take the problem concerning the most favored nation [MFN] trading status for example. This is a matter in the interest of both parties rather than something bestowed by the United States on China as a favor. In trying to interfere in Hong Kong's affairs, the bait they use is that they promise Hong Kong will not be affected economically by the trade disputes between China and the United States. However, the mainland is Hong Kong's biggest market for transit goods as well as its biggest source of transit goods. If the United State should act against China with respect to the MFN issue, Hong Kong will certainly suffer all the same. Hong Kong people, who are intelligent, will not be ready to gulp down such a bait. Certainly, we cannot say that no one in Hong Kong has ulterior motives. There are indeed such people among Hong Kong residents; Martin Lee is one. Did he not ask "various foreign countries to intensify trade sanctions against China" while he was in the United States some time ago?

### **UK Politicians Vie for Hong Kong Governorship**

*OW1504152392 Beijing XINHUA in English  
1429 GMT 15 Apr 92*

[Text] London, April 15 (XINHUA)—Britain's whispering classes have turned their attention away from last week's general election to the struggle for Hong Kong's governorship, leading newspapers reported here today [sentence as received].

Conservative Party sources said Party Chairman Chris Patten, who lost his seat at the election, had already been offered the post.

Prime Minister John Major was understood to have made the offer as a reward for Patten's help in securing the tories their fourth successive election victory.

Patten was reported to be taking soundings among friends before announcing his decision.

But many of Patten's colleagues have expressed dismay at the prospect of losing him from domestic politics and are advising him to decline the offer.

Another contender is David Owen, the former leader of the Social Democratic Party who urged voters to support the tories during the election campaign.

Owen was reported to have discussed the post with Major before the election.

But the odds are stacked heavily against the former foreign secretary with Hong Kong government officials and senior foreign office civil servants said to be fighting a rear-guard action to block his appointment.

They were said to harbor bitter memories of Owen's brief tenure as foreign secretary between 1978 and 1979.

Hong Kong government officials are equally worried about working with a governor perceived to be "arrogant and abrasive."

Legislative Councillor Emily Lau said that while there was no agreement among her colleagues as to who should fill the post, "we all agreed it should not be Owen."

Councillors who have met Owen have said they found him to be "overbearing and unwilling to listen to their views".

A delegation of legislators is planning to visit London to press their views on this and "other immediate issues" facing Hong Kong.

#### **Vietnam Said Main Source of 'Herbal Cannabis'**

HK1104072592 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Apr 92 p 2

[By Owen Hughes]

[Text] Vietnam has emerged as the main source of herbal cannabis smuggled into Hong Kong, according to a senior Customs and Excise Department official.

Mr Lawrence Wong Sau-pui, head of the Drug Investigation Bureau, said more than 120 kilograms of herbal cannabis had been discovered on board Vietnamese vessels docked in Hong Kong since July 1990.

He said consignments of the drug that evaded detection were passed on to middlemen, many of them within the territory's Vietnamese community based in areas like Shamshuipo.

Mr Wong said that in the past 20 months about 125 kilograms of cannabis had been found hidden in six

Vietnamese vessels. Ten crewmen had been arrested, along with three Hong Kong residents of Vietnamese origin.

The largest amount of the drug seized so far was on March 3, when 43 kilograms was found in the bilge tank, fin filter and engine room of the Song Cam, along with 108 kilograms of untaxed raw tobacco.

Mr Wong said: "These seizures are quite significant. Before, Thailand and Nepal were the main sources of herbal cannabis and cannabis resin.

"But the opening up of Vietnam has seen an increase in the number of ocean-going vessels from that country coming here for trade."

He explained that poorly-paid seamen, earning an average of \$156 a month, augmented their wages by buying secondhand goods like manual sewing machines, refrigerators, fans and washing machines and selling them when they returned home.

In order to build up the capital to buy the goods, some crew members resorted to smuggling cannabis, which was passed to middlemen through contacts on-shore.

Herbal cannabis, which sells for \$350 a kilogram, can fetch \$70 a gram on the streets.

"Although the crewmen do not get that sort of money, the profit they can make is very good by Vietnamese standards," Mr Wong said.

Customs officers believe most of the cannabis is consumed locally and not reshipped abroad.

He said some of the raw tobacco that was often found in seizures was destined for the Vietnamese boat people camps. However, Mr Wong doubted whether much cannabis reached the camps, because the inmates could not afford it.

The illicit cargo was carried along with legitimate shipments of timber and other raw materials from Vietnam.

Last year, Hong Kong had 401 ship arrivals from Vietnam, with another 284 arrivals of vessels coming via Vietnam.

Mr Wong said there was no evidence to suggest that crewmen paid Vietnamese customs officers to turn a blind eye to smuggling when ships were being loaded.

"It is very hard for them to watch all the activity in their ports because of a lack of resources, so it is easy for them to smuggle the drugs on board," he said.

#### **Mainland Remains Chief Source of Reexports**

HK1104071592 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English  
11 Apr 92 p 2

[By Lucinda Horne]

[Text] China continued to be the most important source of Hong Kong re-exports in 1991, accounting for \$315.7 billion or 59 percent of the territory's total re-exports for the year.

But while the value of re-exports originating from China grew 31 percent last year, it was not the only source to show strong gains.

Nine of Hong Kong's 10 major countries of origin showed double-digit growth in re-exports through the territory during the year, leading to the 29 percent boost in total re-exports to \$534.8 billion.

The second-biggest origin country of re-exports was Japan, the source of \$57.2 billion or 11 percent of overall re-exports.

In third place was Taiwan with \$41.7 billion, representing an eight percent share of the total.

An analysis of last year's re-export data, issued yesterday by the Department of Census and Statistics, showed that of the goods originating in China, one of the biggest value increases was in clothing, which rose 34 percent.

Re-exports of miscellaneous manufactured items, including baby carriages and sporting goods from China increased 28 percent while footwear rose 71 percent.

#### Editorial on Stronger Economic Cooperation

HK1004091092 Hong Kong WEN WEI PO  
in Chinese 10 Apr 92 p 2

[Editorial: "New Situation in Cooperation Between Hong Kong and Mainland After National People's Congress Session"]

[Text] Economic cooperation between Hong Kong and the mainland over the past 12 years of China's opening up to the outside world has resulted in tremendous achievements. The Government Work Report adopted at the Fifth Session of the Seventh National People's Congress [NPC] recently embodied the spirit of Deng Xiaoping's speech during his southern tour as it called for an accelerated pace in reform, broader opening up to the outside world, and a new, higher level in opening up to the outside world. This will, on the basis of existing accomplishments, further promote the economic cooperation between Hong Kong and the mainland, and thus benefit the industrial and commercial prosperity of Hong Kong.

Statistics show that in the years from 1979 to 1990, trade volume between the two places grew 17 times from \$3.4 billion to \$60.812 billion, making the two places each other's biggest trading partners; China's investments of over 80 billion yuan in Hong Kong surpass those of the United States and Japan; financial capital provided by Hong Kong financial institutions to the mainland rose by nearly 20 times from HK\$5.9 billion [Hong Kong dollars] in 1979 to HK\$120 billion in 1990, making Hong

Kong the biggest source of financial capital to the mainland; by the end of 1990, the actual amount used by Hong Kong businesses in their direct investments in the mainland was \$11.077 billion, or 56 percent of the total amount of foreign investments; and in Guangdong, where some 30,000 enterprises, either engaged in the "processing of supplied materials, drawings and samples, assembling of supplied parts, or compensation trade" or "foreign-funded," employ a total of 2.47 million local workers and employees, 80 percent of these enterprises are funded by Hong Kong businesses. These figures reflect the close economic ties between Hong Kong and the mainland and demonstrate the excellent basis for stronger cooperation between the two places.

In his Government Work Report, Premier Li Peng pointed out: Shanghai's new Pudong zone will be the focus of opening and development in the next decade, and will also serve as the locomotive for the economic development of the Chang Jiang Delta as well as the entire Chang Jiang Valley; capital construction will be boosted further in order to create an excellent investment climate; the focus of imported foreign capital will be placed on projects involving advanced technology as well as internationally marketable and competitive projects. These mainland measures designed to broaden the opening up have offered new opportunities for the development of businesses and of markets by Hong Kong's industrial and commercial sectors. The quick-thinking, high-achieving Hong Kong businessmen will be able to use these opportunities to score new gains.

In fact, new features which are in line with steps to broaden the opening up in the mainland have already started to appear in cooperation between Hong Kong and the mainland.

In the area of investments, past investments by Hong Kong businesses were concentrated in the coastal regions of southern China. Since last year, not a few Hong Kong businesses have already begun to shift their focus to northeastern, northern, eastern, and central China, which boast a better industrial foundation and more abundant resources. As the Pudong development zone of Shanghai slowly becomes the new preferred site for investments by Hong Kong businesses, Ningbo, Wuhan, Qinhuaogdao, Dalian, Qingdao, and others will also attract a fair number of Hong Kong investments in the coming years.

Concerning investment projects, Hong Kong businesses in the beginning invested primarily in guesthouses and hotels, projects with short periods for seeing a return and high earnings ratios. At present, not a few Hong Kong businesses have shifted their attention to large-scale infrastructure projects. Aside from the Daya Bay Nuclear Power Plant, which counts the Hong Kong Nuclear Power Investment Company Limited as a project participant, and the Guangzhou-Shenzhen Superhighway and the Shajiao Power Plant, funded and built by the Hong Kong Hopewell Group, the Hong Kong New World Development Corporation has

invested in and is building the Guangzhou North Circle Superhighway, while others are raising funds for the construction and renovation of ports and harbors. In recent years, some capital construction projects funded and built by Hong Kong businesses have already been put into operation and generated satisfactory returns. Under these circumstances, more Hong Kong businesses will carry out this type of investments.

On industrial upgrading by Hong Kong businesses, many Hong Kong businessmen would in the past upgrade the scale of their operations by expanding factory premises and installing more equipment. Today, some of them are stressing the application of advanced technology as a means to upgrade the product mix. Because the mainland is going through a new period of industrial structural readjustment and product upgrading, it urgently needs a massive influx of advanced technology and high quality equipment. The smart Hong Kong businessmen can either develop new products by bringing in high technology and production techniques and thereby boost the competitiveness of their products in the international market through an improved product mix, or work with mainland factories and help them renovate their equipment and upgrade their technologies in order to improve their products and develop exports. This will not only enable Hong Kong businessmen to reap benefits from their operations in the international market, but also constitutes a necessary move to convert Hong Kong into the economic center of the Asia-Pacific region in the 1990s.

The economic cooperation between Hong Kong and the mainland is inspiring. The manpower and land resources as well as scientific and technological advantages of the mainland are outstanding, as is the edge that Hong Kong enjoys in terms of financial capital and information. By

stepping up cooperation between themselves, Hong Kong and the mainland will complement each other's strengths and present an enormous potential. Therefore, complacency should be avoided in the face of accomplishments. The relevant departments on the two sides should not be content with spontaneous, nonofficial exchanges. Aside from fostering the role of the market, they should boost official economic links by stepping up cooperation in simplifying customs declaration procedures, facilitating personnel exchanges, formulating relevant rules and regulations, and exchanging economic data, and by endeavoring as much as possible to create better conditions for economic cooperation between the two places.

#### **Bo Yibo Meets Hong Kong Firm Representatives**

*OW1604063092 Beijing XINHUA in English  
0619 GMT 16 Apr 92*

[Text] Beijing, April 16 (XINHUA)—Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party and honorary president of the China Council for the Promotion of International Trade (CCPIT), met with a delegation from the Jardine Fleming Holdings Ltd. of Hong Kong here this morning.

The delegation was led by David Testa, chairman of the Rowe Price-Fleming International Inc.

Zheng Hongye, president of the CCPIT, attended the meeting.

The visitors, as guests of the CCPIT, have been here to study the Pudong development area in Shanghai and China's investment environment and explore investment opportunities in China.

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